



**RUSTENBURG LOCAL MUNICIPALITY**  
**CONSOLIDATED ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2010**



*"A successful Rustenburg for the benefit of all"*

**RUSTENBURG LOCAL MUNICIPALITY**  
**CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR**  
**ENDED**  
**30 JUNE 2010**

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## **RUSTENBURG LOCAL MUNICIPALITY**

### **APPROVAL OF THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010**

As Accounting Officer, in terms of section 126(1) (a) of the Municipal Finance Management Act, Act no 56 of 2003, I am responsible for the preparation of the consolidated annual financial statements as set out on pages 1 to ~~67~~ and which I have signed on behalf of the Rustenburg Local Municipality.

I certify, in terms of section 124(1) of the Municipal Finance Management Act, that the salaries, allowances and benefits of Councillors as disclosed in the notes to these annual financial statements are within the upper limits of the framework envisaged in section 210 of the Constitution, read with the Remuneration of Public Office Bearers Act (Act 20 of 1998) and the Minister of Provincial and Local Government's determination in accordance with Act 20 of 1998.

Mr. R. T. R. Ramatlhape  
Acting Municipal Manager

30/9/2010  
Date

**RUSTENBURG LOCAL MUNICIPALITY**  
**STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2010**

MUNICIPALITY			GROUP	
Restated 2009 R	2010 R	Note	2010 R	Restated 2009 R
NET ASSETS AND LIABILITIES				
1 260 433 302	1 415 058 490		1 417 153 221	1 262 463 806
22 385 601	21 736 738	1	21 736 738	22 385 601
243 877 393	281 729 676		281 729 676	243 877 393
225 831 006	198 333 945		198 333 945	225 831 006
511 509 343	626 407 856		626 407 856	511 509 343
28 427 940	31 438 837		31 438 837	28 427 940
27 158 599	30 538 330		30 538 330	27 158 599
201 243 419	224 871 108		226 967 840	203 273 923
291 526 490	205 411 320		440 714 143	537 180 827
101 341 300	97 594 842	2	332 897 665	346 995 638
190 185 189	107 816 478	3	107 816 478	190 185 189
348 347 908	414 526 157		440 299 724	363 523 777
21 769 433	22 363 107	4	22 363 107	21 769 433
3 246 897	3 548 184	5	3 548 184	3 246 897
197 948 185	246 534 797	6	261 315 867	203 068 019
78 236 496	75 565 261	7	75 565 261	78 236 496
43 835 698	62 768 349	8	63 411 437	44 738 016
3 311 200	3 746 458	2	14 095 867	12 464 917
1 900 307 700	2 034 993 965		2 298 167 088	2 163 168 409
ASSETS				
1 098 595 007	1 235 697 426		1 419 022 405	1 304 227 908
1 090 348 736	1 228 408 015	9	1 415 610 476	1 299 936 979
694 884	694 884	10	693 884	693 884
7 551 387	6 594 527	11	2 718 045	3 597 045
801 712 693	799 296 539		879 144 683	858 940 501
22 396 385	24 141 819	12	24 141 819	22 396 385
166 874 714	209 563 440	13	217 049 925	173 392 645
4 940 542	5 609 182	14	6 170 349	5 464 507
91 434	107 691	11	29 830	29 830
467 941 238	452 591 276	15	452 591 276	467 941 238
139 468 380	107 283 132	16	179 161 485	189 715 896
1 900 307 700	2 034 993 965		2 298 167 088	2 163 168 409
Total Assets				
NET ASSETS AND LIABILITIES				
Non-current assets				
Housing Development Fund				
Capital replacement reserve				
Capitalization reserve				
Government grant reserve				
Donations and public contribution reserves				
Self-insurance reserve				
Accumulated Surplus/(Deficit)				
Non-current liabilities				
Long-term liabilities				
Non-current provisions				
Current liabilities				
Consumer deposits				
Provisions				
Creditors				
Unspent conditional grants and receipts				
VAT				
Current portion of long-term liabilities				
Total Net Assets and Liabilities				
Non-current assets				
Property, plant and equipment				
Investments				
Long-term receivables				
Current assets				
Inventory				
Consumer debtors				
Other debtors				
Current portion of long-term receivables				
Short-term fixed deposits				
Bank balances and cash				
Total Assets				

**RUSTENBURG LOCAL MUNICIPALITY**  
**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2010**

MUNICIPALITY			GROUP	
Restated 2009 R	2010 R	Note	2010 R	Restated 2009 R
REVENUE				
105 600 024	147 483 650	17	147 483 650	105 600 024
766 846 916	1 137 557 735	18	1 173 674 804	802 071 898
4 806 610	5 280 405		5 280 405	4 806 610
71 883 989	41 764 864		45 848 076	75 912 171
64 740 371	70 944 791		70 944 791	64 740 371
3 872 220	1 487 556		1 487 556	3 872 220
13 563	13 802		13 802	13 563
17 988 380	17 749 723		17 749 723	17 988 380
5 884 381	7 785 610		7 785 610	5 884 381
9 522 532	13 705 274		13 705 274	9 522 532
587 853 750	445 785 691	19	445 785 691	587 853 750
25 012 285	28 262 507	20	28 262 507	25 012 285
7 737 560	17 358 104		17 358 104	7 737 560
(1 113 086)	(16 835 501)		(16 835 501)	(1 113 086)
<b>1 672 649 495</b>	<b>1 918 344 210</b>		<b>1 958 544 591</b>	<b>1 709 902 679</b>
EXPENDITURE				
244 583 513	173 980 300	21	173 980 300	244 583 513
15 532 004	16 907 840	22	16 907 840	15 532 004
180 600 000	232 829 000		232 829 000	180 600 000
7 556 397	4 808 057		4 808 057	7 556 397
74 563 319	98 771 042		121 156 923	96 845 333
28 534 431	28 966 818		28 966 818	28 534 431
14 487 270	13 300 150	23	44 924 004	47 517 028
478 584 761	783 019 168	24	773 032 403	467 496 964
60 489 217	69 354 717		63 541 073	56 211 937
348 720	248 299	25	248 299	348 720
410 226 101	338 371 814	26	341 296 638	412 723 813
<b>1 515 465 733</b>	<b>1 761 557 204</b>		<b>1 801 691 355</b>	<b>1 558 050 140</b>
<b>157 183 764</b>	<b>156 787 008</b>		<b>156 853 237</b>	<b>151 852 539</b>
SURPLUS FOR THE YEAR				

Refer to Appendix E(1) for the comparison with the approved budget

Refer to Appendix E(1) for the comparison with the approved budget

**RUSTENBURG LOCAL MUNICIPALITY**

**STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2010**

	Pre-GAMAP Reserves and Funds	Housing Develop. Fund (Internal)	Housing Develop. Fund (Grant)	Capital Replacement Reserve	Capitalization Reserve	Government Grant Reserve	Donations and Public Contribution Reserve	Self- Insurance Reserve	Accumulated Surplus/ (Deficit)	Total
	R	R	R	R	R	R	R	R	R	R
<b>2009</b>										
Balance at 30 June 2008	5 280 412	11 098 657	211 406 143	216 882 027	382 800 161	21 875 000	222 884 470	1 094 097 094		
Change in offsetting of depreciation	-	-	-	-	6 039 211	739 391	(35 887 298)	-		
<b>Restated balance 1 July 2008</b>	<b>5 280 412</b>	<b>11 098 657</b>	<b>211 406 143</b>	<b>216 882 027</b>	<b>388 839 372</b>	<b>22 614 391</b>	<b>186 997 172</b>	<b>1 094 097 094</b>		
Surplus/(deficit) for the year	-	-	-	-	-	-	158 305 925	-		
Transfer to CRR	-	-	-	-	-	-	(29 408 000)	-		
Capital grants used to purchase PPE	-	-	-	-	-	-	41 211 357	-		
Contribution from Acc.Surplus: Assets purchased	-	-	-	-	-	-	(149 684 373)	-		
Contribution from Acc.Surplus: Assets purchased	-	-	-	-	-	-	(8 319 785)	-		
Contribution to Insurance Reserve - Vehicles	-	-	-	-	-	-	(228 500)	-		
Contribution to Insurance Reserve	-	-	-	-	-	-	2 842 742	-		
Contribution from Insurance Reserve	-	-	-	-	-	-	(453 017)	-		
Increase/(decrease) in Housing Development Fund	-	-	-	-	-	-	-	-		
Transfer to Housing Development Fund	-	-	-	-	-	-	-	-		
Contribution to 2010 FIFA World Soccer-Interest	-	-	-	-	-	-	-	-		
Contributions to Funds and Reserves-Interest	-	-	-	-	-	-	-	-		
Asset disposals	-	-	-	-	-	-	-	-		
Offsetting of depreciation	-	-	-	-	-	-	-	-		
<b>Balance at 30 June 2009</b>	<b>5 923 565</b>	<b>16 462 035</b>	<b>225 352 054</b>	<b>221 361 530</b>	<b>512 249 471</b>	<b>27 158 600</b>	<b>219 763 188</b>	<b>1 256 697 079</b>		
<b>2010</b>										
Adjustment of asset values disclosed previously	-	-	-	-	-	-	-	-		
Correction of previous year performance statement(note 27)	-	-	-	-	-	-	-	-		
Contribution to CRR approved by NER	-	-	-	-	-	-	-	-		
Change in offsetting of depreciation	-	-	-	-	-	-	-	-		
<b>Restated balance</b>	<b>5 923 565</b>	<b>16 462 035</b>	<b>243 877 383</b>	<b>225 831 006</b>	<b>511 509 343</b>	<b>27 158 599</b>	<b>201 243 419</b>	<b>1 260 433 302</b>		
Surplus/(deficit) for the year	-	-	-	-	-	-	156 787 008	-		
Transfer to CRR	-	-	-	-	-	-	(101 870 588)	-		
Capital grants used to purchase PPE	-	-	-	-	-	-	80 311 267	-		
Contribution from Acc.Surplus: Assets purchased	-	-	-	-	-	-	(150 811 750)	-		
Contribution from Acc.Surplus: Assets purchased	-	-	-	-	-	-	(6 228 522)	-		
Contribution to Insurance Reserve - Vehicles	-	-	-	-	-	-	(144 570)	-		
Contribution to Insurance Reserve	-	-	-	-	-	-	229 500	-		
Contribution from Insurance Reserve	-	-	-	-	-	-	2 583 194	-		
Increase/(decrease) in Housing Development Fund	-	-	-	-	-	-	(1 406 531)	-		
Transfer to Housing Development Fund	-	-	-	-	-	-	-	-		
Contribution to 2010 FIFA World Soccer-Interest	-	-	-	-	-	-	-	-		
Contributions to Funds and Reserves-Interest	-	-	-	-	-	-	-	-		
Asset disposals	-	-	-	-	-	-	-	-		
Offsetting of depreciation	-	-	-	-	-	-	-	-		
<b>Balance at 30 June 2010</b>	<b>6 351 839</b>	<b>15 384 893</b>	<b>281 729 676</b>	<b>198 333 945</b>	<b>626 407 856</b>	<b>31 438 837</b>	<b>224 871 108</b>	<b>1 416 056 480</b>		

**RUSTENBURG LOCAL MUNICIPALITY**  
**STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2010 - GROUP**

	Pre-GAMAP Reserves and Funds	Housing Develop. Fund (Internal)	Housing Develop. Fund (Grant)	Capital Replacement Reserve	Capitalization Reserve	Government Grant Reserve	Donations and Public Contribution Reserve	Self- Insurance Reserve	Accumulated Surplus/ (Deficit)	Total
	R	R	R	R	R	R	R	R	R	R
<b>2009</b>										
Balance at 30 June 2008	-	5 280 412	11 098 657	211 406 143	216 882 027	382 800 161	21 870 225	21 875 000	230 246 195	1 101 458 819
Change in offsetting of depreciation	-	-	-	-	29 108 696	6 039 211	739 391	-	(35 887 296)	-
<b>Restated balance 1 July 2008</b>	-	5 280 412	11 098 657	211 406 143	245 990 723	388 839 372	22 609 616	21 875 000	194 358 897	1 101 458 819
Surplus/(deficit) for the year	-	-	-	-	-	-	-	-	152 974 702	152 974 702
Transfer to CRR	-	-	-	29 408 000	-	-	-	-	(29 408 000)	-
Capital grants used to purchase PPE	-	-	-	(41 211 357)	-	-	-	-	41 211 357	-
Contribution from Acc.Surplus: Assets purchased	-	-	-	-	-	149 684 373	-	-	(149 684 373)	-
Contribution from Acc.Surplus: Assets purchased	-	-	-	-	-	-	8 319 785	-	(8 319 785)	-
Contribution to Insurance Reserve - Vehicles	-	-	-	-	-	-	-	229 500	(229 500)	-
Contribution to Insurance Reserve	-	-	-	-	-	-	-	2 842 742	(2 842 742)	-
Contribution from Insurance Reserve	-	-	-	-	-	-	-	(453 017)	453 017	-
Increase/(decrease) in Housing Development Fund	-	-	4 284 060	-	-	-	-	-	-	4 284 060
Transfer to Housing Development Fund	-	-	-	-	-	-	-	-	-	-
Contribution to 2010 FIFA World Soccer-Interest	-	643 154	1 069 318	25 749 268	(351 536)	-	-	2 684 375	(30 126 145)	-
Contributions to Funds and Reserves-Interest	-	-	-	-	(24 277 657)	(26 274 274)	(2 502 765)	-	351 536	-
Asset disposals	-	-	-	-	-	-	-	-	53 054 696	-
Offsetting of depreciation	-	-	-	-	-	-	-	-	-	-
<b>Balance at 30 June 2009</b>	-	5 923 566	16 462 035	225 352 054	221 361 530	512 249 471	28 428 636	27 158 600	221 793 690	1 258 727 581
<b>2010</b>										
Adjustment of asset values disclosed previously	-	-	-	-	4 858 383	-	-	-	-	4 858 383
Correction of previous year performance statement(note 27)	-	-	-	18 525 339	-	-	-	-	(1 122 181)	(1 122 181)
Contribution to CRR approved by NER	-	-	-	-	(388 907)	(740 128)	1 304	-	(18 525 339)	-
Change in offsetting of depreciation	-	-	-	-	-	-	-	-	1 127 731	-
<b>Restated balance</b>	-	5 923 566	16 462 035	243 877 393	225 831 006	511 509 343	28 427 940	27 158 599	203 273 923	1 262 463 806
Surplus/(deficit) for the year	-	-	-	-	-	-	-	-	156 853 237	156 853 237
Transfer to CRR	-	-	-	101 870 588	-	-	-	-	(101 870 588)	-
Capital grants used to purchase PPE	-	-	-	(80 311 267)	-	-	-	-	80 311 267	-
Contribution from Acc.Surplus: Assets purchased	-	-	-	-	-	150 811 750	-	-	(150 811 750)	-
Contribution from Acc.Surplus: Assets purchased	-	-	-	-	-	-	6 228 522	-	(6 228 522)	-
Contribution to Insurance Reserve - Vehicles	-	-	-	-	144 570	-	-	229 500	(144 570)	-
Contribution to Insurance Reserve	-	-	-	-	-	-	-	2 593 194	(2 593 194)	-
Contribution from Insurance Reserve	-	-	-	-	-	-	-	(1 406 531)	1 406 531	-
Increase/(decrease) in Housing Development Fund	-	-	(1 991 325)	-	-	-	-	-	-	(1 991 325)
Contribution to 2010 FIFA World Soccer-Interest	-	429 273	914 189	16 292 953	(209 170)	(1 342)	(3 217 625)	1 963 567	(172 484)	(172 484)
Contributions to Funds and Reserves-Interest	-	-	-	-	(27 432 461)	(35 911 896)	-	-	(19 596 982)	-
Asset disposals	-	-	-	-	-	-	-	-	210 512	-
Offsetting of depreciation	-	-	-	-	-	-	-	-	86 581 982	-
<b>Balance at 30 June 2010</b>	-	6 351 839	15 364 939	261 729 676	198 333 945	626 407 856	31 436 837	30 538 330	226 967 840	1 417 153 221



**RUSTENBURG LOCAL MUNICIPALITY**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2010**

MUNICIPALITY			GROUP		
2009 Restated R	2010 R		Note	2010 R	Restated 2009 R
CASH FLOW FROM OPERATING ACTIVITIES					
1 459 539 480	1 743 876 746	Cash receipts from ratepayers, government and other		1 778 960 048	1 492 575 357
(1 352 029 612)	(1 686 660 066)	Cash paid to suppliers and employees		(1 663 354 364)	(1 334 769 737)
107 509 668	57 216 680	Cash generated from/(utilized in) operations	28	115 605 684	157 805 620
17 988 380	17 749 723	Royalties		(14 074 106)	17 988 380
13 563	13 802	Dividends received		13 802	13 563
136 690 943	112 709 655	Interest received		116 792 867	140 719 145
(14 467 270)	(13 310 151)	Interest paid		(13 110 176)	(47 517 028)
<u>247 735 284</u>	<u>174 379 709</u>	NET CASH FROM OPERATING ACTIVITIES		<u>205 228 071</u>	<u>269 009 680</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
(249 215 516)	(237 496 101)	Purchase of property, plant and equipment		(237 496 199)	(249 505 516)
7 737 560	17 358 104	Proceeds on disposal of property, plant and equipment		17 358 104	7 737 560
(1 326 692)	940 604	(Increase)/decrease in non-current receivables		940 604	(1 326 692)
66 414 319	-	Increase in non-current investments		-	66 414 319
<u>(176 390 328)</u>	<u>(219 197 394)</u>	NET CASH FROM INVESTING ACTIVITIES		<u>(219 197 492)</u>	<u>(176 680 329)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
(1 998 434)	(3 311 200)	New loans repaid		(12 528 627)	(10 138 935)
2 109 711	593 675	Increase in consumer deposits		593 675	2 109 711
<u>111 277</u>	<u>(2 717 525)</u>	NET CASH FROM FINANCING ACTIVITIES		<u>(11 934 952)</u>	<u>(8 029 224)</u>
<u>71 456 232</u>	<u>(47 535 210)</u>	NET INCREASE IN CASH AND CASH EQUIVALENTS		<u>(25 904 373)</u>	<u>84 300 126</u>
535 953 386	607 409 618	Cash and cash equivalents at the beginning of the year	29	657 657 134	573 357 008
607 409 618	559 874 408	Cash and cash equivalents at the end of the year	29	631 752 761	657 657 134
<u>(71 456 232)</u>	<u>47 535 210</u>			<u>25 904 373</u>	<u>(84 300 126)</u>

## **RUSTENBURG LOCAL MUNICIPALITY**

### **GENERAL INFORMATION TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS**

**JUNE 2010**

<b>EXECUTIVE MAYOR</b>	Jeannete Dibetso-Nyathi
<b>SPEAKER</b>	Shiela Shirley Kgomotso Mabale-Huma
<b>CHIEF WHIP</b>	Sabelo Ezra Mdangai

#### **MEMBERS OF THE MAYORAL COMMITTEE**

Olga Rejang Chauke –	LED & 2010
Nosipho Bridget Babe –	Special Projects
Lindi Basetsana Ngqobo –	Trade affairs
Jabulile Nxumalo –	IDP and Rural Development
Kgomotso Philemon Khunou –	Corporate Services
Boipelo Brillind Marekoa –	Community Development Service
Amos Lekgotla Mataboge –	Planning and Human Settlement
Mina Lisiwe Mpengu –	Public Safety
Davis Titi Pilane –	Technical Infrastructure Services
Abram Sonny Sematu –	Budget and Treasury

**AUDITORS**     The Auditor – General

**BANKERS**     ABSA Bank

<b>REGISTERED OFFICE</b>	Cnr Beyers Naude	PO Box 550
	& Nelson Mandela	Rustenburg
	Drive	0300
	Rustenburg	
	0300	

**MUNICIPAL MANAGER**     R T R Ramathape (Acting)

**CHIEF FINANCIAL OFFICER**     J Van Wyk (Acting)

#### **LEGAL FORM AND JURISDICTION**

The municipality is an organ of state within the local sphere of government exercising legislative and executive authority within an area determined in terms of the Local Government: Municipal Demarcation Act 1998.

## **MISSION AND PRINCIPLE ACTIVITIES**

The Rustenburg Local Municipality was established by North West Provincial Gazette No 5574 dated 29 September 2000 in terms of Section 12 of the Municipal Structures Act, Act 117 of 1998. In accordance with this notice, existing municipalities were disestablished and the new Rustenburg Local Municipality came into being.

The mission of the municipality is to enhance quality of life by providing affordable services equitably and facilitate economic growth & encouraging community participation.

The municipality's main functions include, but are not limited to, infrastructure development and access to basic services; social development; local economic development and job creation; disaster and risk management; and housing.

## **GOVERNING LEGISLATION**

The Municipality is mainly governed by the following legislation and any subsequent amendments:

Constitution of the Republic of South Africa  
Municipal Structures Act 117 of 1998  
Municipal Systems Act 32 of 2000  
Municipal Finance Management Act 56 of 2003  
Municipal Property Rates Act 6 of 2004  
Intergovernmental Relations Framework Act 13 of 2005

**RUSTENBURG LOCAL MUNICIPALITY  
ACCOUNTING POLICIES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**1. BASIS OF PRESENTATION**

The consolidated annual financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

These consolidated annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise. They are presented in South African Rand.

A summary of the significant accounting policies, which have been consistently applied, are disclosed below.

These accounting policies are consistent with the previous period.

**2. CONSOLIDATION**

The consolidated financial statements include the assets, liabilities and results of the operations of the Rustenburg Local Municipality and its entity ('the Group').

**Rustenburg Water Services Trust**

Rustenburg Local Municipality has a 100% interest in the municipal entity. The consolidated annual financial statements account for the Municipality's share of net assets in the entity and eliminate transactions between the Municipality and the entity.

**3. PRESENTATION CURRENCY**

These Consolidated Annual Financial Statements are presented in South African Rand.

**4. GOING CONCERN ASSUMPTION**

These Consolidated Annual Financial Statements have been prepared on a going concern basis.

**5. HOUSING DEVELOPMENT FUND**

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the Municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund. Housing selling schemes both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

**RUSTENBURG LOCAL MUNICIPALITY  
ACCOUNTING POLICIES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2010**

**6. RESERVES**

*6.1 Capital Replacement Reserve (CRR)*

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus to the CRR. The following provisions are set for the creation, feasibility and utilization of the CRR:

- The cash funds which back up the CRR are invested until utilized. The cash may only be invested in accordance with the investment policy of the Municipality.
- The CRR can only be utilised to finance items of property, plant and equipment and may not be used for the maintenance of these items.
- Whenever an asset is purchased out of the CRR, an amount equal to the cost price of the asset is transferred from the CRR and the accumulated surplus is credited by a corresponding amount. The CRR is reduced and the accumulated surplus is credited by a corresponding amount when the amounts in the CRR are utilised. Profit on the sale of land during a financial year is reflected in the Statement of Financial Performance. Profit on the sale of land more than budgeted is transferred annually via the Statement of Changes in Net Assets to the CRR, provided that it cash backed.

The amount transferred to the CRR is based on the municipality's need to finance future capital projects included in the Integrated Development Plan.

*6.2 Capitalisation Reserve*

On the implementation of GAMAP/GRAP, the balance on certain funds, created in terms of the various Provincial Ordinances applicable at the time, that had historically been utilised for the acquisition of items of property, plant and equipment have been transferred to a Capitalisation Reserve instead of the accumulated surplus in terms of a directive (budget circular) issued by National Treasury.

The purpose of this Reserve is to promote consumer equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of these items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus.

The balance on the Capitalisation Reserve equals the carrying value of the items of property, plant and equipment financed from the former legislated funds. When items of property, plant and equipment are depreciated, a transfer is made from the Capitalisation Reserve to the accumulated surplus.

When an item of property, plant and equipment is disposed, the balance in the Capitalisation Reserve relating to such item is transferred to the accumulated surplus.

*6.3 Government Grant Reserve*

When items of property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus to the Government Grants Reserve equal to the Government Grant recorded as revenue in the Statement of Financial

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Performance in accordance with a directive (budget circular) issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus.

The purpose of this policy is to promote community equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of government grant funded items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus.

When an item of property, plant and equipment financed from government grants is disposed, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus via the Statement of Changes in Net Assets.

**6.4 Public Contributions Reserve**

When items of property, plant and equipment are financed from donations or public contributions, a transfer is made from the accumulated surplus to the Public Contributions Reserve equal to the donations or public contributions recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Public Contributions Reserve to the accumulated surplus.

The purpose of this policy is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the future depreciation charges that will be incurred over the estimated useful life of the item of property, plant and equipment financed from donations and public contributions.

When an item of property, plant and equipment financed from donations and public contributions is disposed, the balance in the Public Contributions Reserve relating to such item is transferred to the accumulated surplus.

**6.5 Self-Insurance Reserve**

The Municipality has a Self-Insurance Reserve to set aside amounts to offset potential losses or claims that cannot be insured externally and/or cover the cost of excess payments when claims arise on assets insured externally.

The balance of the Self-Insurance Reserve is annually determined and adjusted after the compilation of the Annual Financial Statements to at least 2,5% of the carrying value of property, plant and equipment on 30 June, subject to the past claims history and the insurance risk carried by the Municipality. The Self-Insurance Reserve is maintained by a transfer to the accumulated surplus. Short-term investments are earmarked and set aside to ensure that the reserve is cash backed.

Claims and/or excess payments are settled by transferring a corresponding amount from the self-insurance reserve to the accumulated surplus.

Interest earned on the balance of the Self-Insurance Reserve is recorded as interest earned in the Statement of Financial Performance and is transferred to the Self-Insurance Reserve via the Statement of Changes in Net Assets as a contribution.

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**7. PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- The cost of the item can be measured reliably.

Property, plant and equipment are initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired at no cost, or for a nominal cost, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Major spare parts and stand by equipment which are expected to be used for more than one period are included in property, plant and equipment. In addition, spare parts and stand by equipment which can only be used in connection with an item of property, plant and equipment are accounted for as property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the

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cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment are stated at cost less accumulated depreciation. Heritage assets, which are culturally significant resources and which are shown at cost, are not depreciated owing to the uncertainty regarding their estimated useful lives. Similarly, land is not depreciated as it is deemed to have an indefinite life.

Where items of property, plant and equipment have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified except where the impairment reverses a previous revaluation.

The cost of an item of property, plant and equipment acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets was measured at its fair value. If the acquired item could not be measured at its fair value, its cost was measured at the carrying amount of the asset given up.

Subsequent expenditure is capitalised when the recognition and measurement criteria of an asset are met.

Depreciation is calculated on cost, using the straight-line method over the estimated useful lives of the assets. The annual depreciation rates are based on the following estimated asset lives:-

	<u>Years</u>
<b>Infrastructure</b>	
Roads	30
Paving	20
Electricity	20-30
Water	15-20
Sewerage	20 - 30
<b>Housing</b>	30
<b>Buildings</b>	30
<b>Other</b>	
Other vehicles	5
Office equipment	3-7
Computer equipment & software	2-5
Specialist vehicles	7
Security	5
Furniture and fittings	5-7
Bins and containers	5
Specialised plant and equipment	10-15
Other items of plant and equipment	2-5
Landfill sites	30
<b>Community</b>	
Buildings	30
Recreational Facilities	20-30



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The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the Statement of Financial Performance.

The useful life and residual value of assets are assessed annually to determine the appropriateness of management's initial estimate. If the expectations differ from the previous estimates, the change is accounted for as a change in accounting estimate.

Residual values are applied to the following classes at the specified rates:

Vehicles: 30% of the original cost price

Furniture, fittings and office equipment: 10% of the original cost price

Computers: 10% of the original cost price

Infrastructure: Nil, due to the fact that it is not the intention to ever sell infrastructure assets.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

## **8. INVENTORIES**

Consumable stores, raw materials, work-in-progress and finished goods are initially valued at cost and subsequently valued at the lower of cost and net realisable value. In general, the basis of determining cost is the first-in, first-out method.

Unsold properties are valued at the lower of cost and net realisable value on a weighted average cost basis. Direct costs are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs.

Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

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**9. INVESTMENTS IN FINANCIAL INSTRUMENTS**

**Initial Recognition**

Financial Instruments are initially recognised at fair value

**Subsequent Measurement**

Financial Assets are categorized according to their nature as either financial assets at fair value through profit or loss, held-to maturity, loans and receivables, or available for sale. Financial liabilities are categorized as either at fair value through profit or loss or financial liabilities carried at amortized cost. The subsequent measurement of financial assets and liabilities depends on their categorization and, in the absence of an approved GRAP standard on Financial Instruments, is in accordance with IAS 39.

**Debtors**

Debtors are recognised at fair value and subsequently measured at amortized cost using the effective interest rate method, less provision for impairment. A provision for impairment of debtors is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of the debtors. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. Impairment losses are recognised in the statement of financial performance.

An estimate is made for doubtful debts based on the categorization of debts and a review of the past trends in collection rates applied to all outstanding amounts at year end.

**Creditors**

Trade payables are initially measured at fair value, and are subsequently measured at amortized cost, using the effective interest rate method.

**Cash and cash equivalents**

These are initially and subsequently recorded at fair value. For cash flow purposes, cash and cash equivalents includes cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. These are subject to an insignificant risk of changes in value.

**Borrowings and other financial liabilities**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost. The Municipality does not hold financial loans for trading purposes.

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**10. REVENUE RECOGNITION**

*10.1 Revenue from Exchange Transactions*

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. Revenue from the sale of electricity prepaid meter cards are recognised at the point of sale.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

Service charges from sewerage and sanitation are based on the number of sewerage connections on each developed property using the tariffs approved from Council and are levied monthly.

**Interest, royalties and dividends**

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Royalties are recognised as they are earned in accordance with the substance of the relevant agreements.

Dividends or their equivalents are recognised, in surplus or deficit, when the municipality's right to receive payment has been established.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

Finance income from the sale of housing by way of instalment sales agreements or finance leases is recognised on a time proportion basis.

Revenue from the sale of goods is recognised when the risk is passed to the consumer.

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment is brought into use. Where public contributions have been received but the municipality has not met the condition, a liability is recognised.

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*10.2 Revenue from non-exchange transactions*

Non exchange transactions are defined as transactions where the entity receives value from another entity without directly giving approximately equal value in exchange.

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

**Measurement**

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Rates, including collection charges and penalties interest

Revenue from rates, including collection charges and penalty interest, is recognised when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the amount of the revenue can be measured reliably; and
- There has been compliance with the relevant legal requirements.

Changes to property values during a reporting period are valued by a suitably qualified valuator and adjustments are made to rates revenue, based on a time proportion basis. Adjustments to rates revenue already recognised are processed or additional rates revenue is recognised.

**Fines**

Revenue from the issuing of fines is recognised when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- The amount of the revenue can be measured reliably.

The municipality has two types of fines: spot fines and summonses. There is uncertainty regarding the probability of the flow of economic benefits or service potential in respect of spot fines as these fines are usually not given directly to an offender. Further legal processes have to be undertaken before the spot fine is enforceable. In respect of summonses the public prosecutor can decide whether to waive the fine, reduce it or prosecute for non payment by the offender. An estimate is made for the revenue amount collected from spot fines and summonses based on past experience of amounts collected. Where a reliable estimate cannot be made of revenue from summonses, the revenue from summonses is recognised when the public prosecutor pays over to the entity the cash actually collected on summonses issued.

**Government grants**

Government grants are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality,
- the amount of the revenue can be measured reliably, and

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- To the extent that there has been compliance with any restrictions associated with the grant.

The municipality assesses the degree of certainty attached to the flow of future economic benefits or service potential on the basis of the available evidence. Certain grants payable by one level of government to another are subject to the availability of funds. Revenue from these grants is only recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the entity. An announcement at the beginning of a financial year that grants may be available for qualifying entities in accordance with an agreed programme may not be sufficient evidence of the probability of the flow. Revenue is then only recognised once evidence of the probability of the flow becomes available.

Restrictions on government grants may result in such revenue being recognised on a time proportion basis. Where there is no restriction on the period, such revenue is recognised on receipt or when the Act becomes effective, whichever is earlier.

When government remit grants on a reimbursement basis, revenue is recognised when the qualifying expense has been incurred and to the extent that any other restrictions have been complied with.

**Other grants and donations**

Other grants and donations are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the amount of the revenue can be measured reliably; and
- To the extent that there has been compliance with any restrictions associated with the grant.

If goods in kind are received without conditions attached, revenue is recognised immediately. If conditions are attached, a liability is recognised, which is reduced and revenue recognised as the conditions are satisfied.

**11. PROVISIONS**

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- A reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

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Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised. Provisions are not recognised for future operating deficits.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 39.

**12. UNAUTHORISED EXPENDITURE**

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

**13. IRREGULAR EXPENDITURE**

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

**14. FRUITLESS AND WASTEFUL EXPENDITURE**

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

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**15. FOREIGN CURRENCIES**

Transactions in foreign currencies are initially recorded at the prevailing exchange rate on the dates of the transactions. Monetary assets and liabilities denominated in such foreign currencies are retranslated at the rates prevailing at the reporting date. Exchange differences are included in the Statement of Financial Performance.

**16. LEASES**

*The Municipality as Lessee*

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment subject to finance lease agreements are capitalised at their cash cost equivalent and the corresponding liabilities are raised. The cost of the item of property, plant and equipment is depreciated at appropriate rates on the straight-line basis over its estimated useful life. Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are expensed as they become due.

*The Municipality as Lessor*

Amounts due from lessees under finance leases or instalment sale agreements are recorded as receivables at the amount of the Municipality's net investment in the leases. Finance lease or instalment sale income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Municipality's net investment outstanding in respect of the leases or instalment sale agreements.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

**17. RETIREMENT BENEFITS**

**Short term employee benefits**

The cost of short term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non accumulating absences, when the absence occurs.

The expected cost of surplus sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

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**Defined contribution plans**

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to industry managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the municipality's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

**Defined benefit plans**

For defined benefit plans the cost of providing the benefits is determined using the projected credit method. Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. Consideration is given to any event that could impact the funds up to end of the reporting period where the interim valuation is performed at an earlier date.

Past service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised on a straight line basis over the average period until the amended benefits become vested.

To the extent that, at the beginning of the financial period, any cumulative unrecognised actuarial gain or loss exceeds ten percent of the greater of the present value of the projected benefit obligation and the fair value of the plan assets (the corridor), that portion is recognised in surplus or deficit over the expected average remaining service lives of participating employees. Actuarial gains or losses within the corridor are not recognised.

Gains or losses on the curtailment or settlement of a defined benefit plan are recognised when the municipality is demonstrably committed to curtailment or settlement. When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduces by the fair value of plan assets.

Any asset is limited to unrecognised actuarial losses and past service costs, plus the present value of available refunds and reduction in future contributions to the plan.

**Other post retirement obligations**

The municipality provides post retirement health care benefits, housing subsidies and gratuities upon retirement to some retirees.

The entitlement to post retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations. The municipality also provides a gratuity and housing subsidy on retirement to certain employees. An annual charge to income is made to cover both these liabilities.



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**18. BORROWING COSTS**

Borrowing costs are recognised as an expense in the Statement of Financial Performance.

**19. COMPARATIVE INFORMATION**

*19.1 Current year comparatives:*

Budgeted amounts have been included in the Consolidated Annual Financial Statements for the current financial year only.

*19.2 Prior year comparatives:*

When the presentation or classification of items in the Consolidated Annual Financial Statements is amended, prior period comparative amounts are reclassified. The nature and reason for the reclassification is disclosed.

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MUNICIPALITY		GROUP	
2009	2010	2009	2010
R	R	R	R
<b>1 HOUSING DEVELOPMENT FUND</b>			
22 385 601	21 736 738	22 385 601	21 736 738
14 655 035	13 110 789	14 655 035	13 110 789
1 807 001	2 274 110	1 807 001	2 274 110
5 923 565	6 351 839	5 923 565	6 351 839
Housing Development Fund			
Unappropriated Surplus			
Retention: Housing			
Loans extinguished by Government on 1 April 1998 (Old Housing Development Fund)			
The Housing Development Fund is represented by the following assets and liabilities			
21 139 776	20 367 009	21 139 776	20 367 009
-	-	-	-
643 154	428 274	643 154	428 274
622 821	499 257	622 821	499 257
-	-	-	-
(20 151)	442 198	(20 151)	442 198
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
22 385 601	21 736 738	22 385 601	21 736 738
<b>2 LONG-TERM LIABILITIES</b>			
50 000 000	48 933 919	50 000 000	48 933 919
17 489 155	16 648 710	17 489 155	16 648 710
18 246 791	17 501 345	18 246 791	17 501 345
18 916 554	18 257 325	18 916 554	18 257 325
-	-	-	-
-	-	-	-
104 652 500	101 341 300	359 460 555	346 993 435
3 311 200	3 746 459	12 464 917	14 095 867
1 066 081	1 242 511	1 066 081	1 242 511
840 445	937 560	840 445	937 560
745 446	831 372	745 446	831 372
659 228	735 015	659 228	735 015
101 341 300	97 594 842	346 995 638	332 897 568

Refer to Appendix A for more detail on long-term liabilities

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**MUNICIPALITY**

2009

2010

**GROUP**

2010

Restated  
2009

**INCA Loan**

Bears interest at 13.82% per annum and repayable in equal instalments of R4 002 068 at the end of February and August every year, with the last instalment payable on 29 February 2024.

**ABSA Loan**

Bears respectively interest from first draw down at 11.82%, 12.02% and 12.14% and is repayable within 15 years from drawdown

**ABSA Loan: Entity**

The loan is secured by:

- a general notarial bond over the movable assets of the Trust,
- cession of the Rustenburg Lease Agreement
- the Debt Service Reserve Account, the Contingency Reserve Account and the Industrial Contingency Reserve Account.

The loan bears interest at a rate, 12.34% MACM and is repayable over a period of 15 years.

**3 NON-CURRENT PROVISIONS**

1 000 000	996 576
4 950 000	5 445 000
184 235 189	101 374 902
<b>190 185 189</b>	<b>107 816 478</b>

996 576	1 000 000
5 445 000	4 950 000
101 374 902	184 235 189
<b>107 816 478</b>	<b>190 185 189</b>

**Provision for long-service**

Provision for Rehabilitation of Landfill sites

Provision for post-retirement medical expenses

**Total Non-Current Provisions**

The long-service award is payable after every 5 years of continuous service.

The provision is an estimate of the long-service based on historical staff turnover.

The movement in the provision for long-service awards, are reconciled as follows:

977 239	1 234 020
256 781	(3 424)
-	-
(234 020)	(234 020)
<b>1 000 000</b>	<b>996 576</b>

1 234 020	977 239
(3 424)	256 781
-	-
(234 020)	(234 020)
<b>996 576</b>	<b>1 000 000</b>

RUSTENBURG LOCAL MUNICIPALITY  
NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

MUNICIPALITY	2009	2010	GROUP
			Restated 2009
The movement in the provision for rehabilitation of landfill sites, are reconciled as follows			
Balance at beginning of year	4 500 000	4 950 000	4 500 000
Contributions to provision	450 000	495 000	450 000
Expenditure incurred	-	-	-
Transfer to current provisions	-	-	-
Balance at end of year	<u>4 950 000</u>	<u>5 445 000</u>	<u>4 950 000</u>
The movement in the provision for post-retirement medical costs, are reconciled as follows:			
Balance at beginning of year	153 489 747	184 235 189	153 489 747
Current service cost	13 325 435	13 325 435	13 325 435
Interest cost	17 682 301	18 653 000	17 682 301
Benefits paid	(2 738 979)	(2 695 300)	(2 738 979)
Actuarial Loss/Gain	5 489 582	(108 829 258)	5 489 582
Transfer to current provisions	(3 012 877)	(3 314 164)	(3 012 877)
Balance at end of year	<u>184 235 189</u>	<u>101 374 902</u>	<u>184 235 189</u>
Summary of assumptions			
Gross Discount Rate		9.50%	
Healthcare cost inflation		7.75%	
Post Retirement Mortality table		PA (90)	
The provision is made in light of the rule that continuation members receive a 60% subsidy of medical aid contributions in retirement. The spouse and child dependants of a contribution member are entitled to 60% subsidy of their contributions in the event of a principal member's death.			
Actuarial gains and losses are recognised in the reporting period in which they arise.			
<b>4. CONSUMER DEPOSITS</b>			
Electricity and Water	21 769 433	22 363 107	21 769 433
No interest are paid on consumer deposits received.			
Guarantees held in lieu of Electricity and Water Deposits	30 664 153	30 598 953	30 664 153

**RUSTENBURG LOCAL MUNICIPALITY**  
**NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010**

**MUNICIPALITY**

2009	2010		2010	Restated 2009
<b>5 PROVISIONS</b>				
234 020	234 020	Current portion of long-service provision (see note 3 above)	234 020	234 020
-	-	Current portion of rehabilitation of landfill site (see note 3 above)	-	-
3 012 877	3 314 164	Provision for post-retirement medical expenses (see note 3 above)	3 314 164	3 012 877
<b>3 246 897</b>	<b>3 548 184</b>	<b>Total Provisions</b>	<b>3 548 184</b>	<b>3 246 897</b>
The movement in the current portion of long-service provisions are reconciled as follows:				
3 716 218	3 246 897	Balance at beginning of year	3 246 897	3 716 218
3 012 877	3 314 164	Transfer from non-current	3 314 164	3 012 877
(3 482 198)	(3 012 877)	Contributions to provision	(3 012 877)	(3 482 198)
-	-	Expenditure incurred / leave taken	-	-
<b>3 246 897</b>	<b>3 548 184</b>	<b>Balance at end of year</b>	<b>3 548 184</b>	<b>3 246 897</b>
<b>6 CREDITORS</b>				
112 636 363	136 790 298	Trade creditors	151 571 388	117 756 197
19 204 166	19 371 383	Payments received in advance	19 371 383	19 204 166
23 349 659	40 713 500	Retentions	40 713 500	23 349 659
14 688 358	18 370 274	Staff leave	18 370 274	14 688 358
16 404 168	13 139 977	Unspecified income/unallocated grants	13 139 977	16 404 168
11 665 472	18 148 365	Other creditors	18 148 365	11 665 472
<b>197 943 185</b>	<b>246 534 797</b>	<b>Total Creditors</b>	<b>261 315 867</b>	<b>203 068 019</b>

**RUSTENBURG LOCAL MUNICIPALITY**  
**NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010**

<b>MUNICIPALITY</b>		<b>GROUP</b>	
<b>2009</b>	<b>2010</b>	<b>2010</b>	<b>Restated 2009</b>
<b>7 UNSPENT CONDITIONAL GRANTS AND RECEIPTS</b>			
<i>7.1 Conditional Grants from other spheres of Government</i>			
24 068 426	38 223 241	38 223 241	24 068 426
400 000	400 000	400 000	400 000
3 589 141	3 483 774	3 483 774	3 589 141
22 667 394	-	-	22 667 394
8 000 000	7 152 132	7 152 132	8 000 000
666 659	666 659	666 659	666 659
522 677	(55 208)	(55 208)	522 677
-	3 910 914	3 910 914	-
3 738 419	18 362 816	18 362 816	3 738 419
4 494 029	139 224	139 224	4 494 029
278 327	472 577	472 577	278 327
-	93 168	93 168	-
93 168	534 873	534 873	93 168
-	860 985	860 985	-
-	96 348	96 348	-
1 123 427	-	-	1 123 427
-	704 000	704 000	-
6 868 628	-	-	6 868 628
194 992	480 655	480 655	194 992
1 431 209	29 303	29 303	1 431 209
<b>78 236 496</b>	<b>75 565 261</b>	<b>75 565 261</b>	<b>78 236 496</b>
<b>Total Conditional Grants and Receipts</b>			
See Note 19 for reconciliation of grants from other spheres of government. These amounts are not yet invested in a ring-fenced investment until utilized			
<b>8 VAT</b>			
<b>43 835 688</b>	<b>62 768 349</b>	<b>63 411 437</b>	<b>44 738 016</b>
<b>Net VAT payable</b>			
VAT is payable on the receipts basis. Only once payment is received from debtors is VAT paid over to SARS.			

RUSTENBURG LOCAL MUNICIPALITY  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

9. PROPERTY, PLANT AND EQUIPMENT

30 JUNE 2010

Reconciliation of Carrying Value	Land and Buildings	Infra-structure	Community	Heritage	Other	Housing (Rental Old Age)	Leased Infrastructure	Total
	R	R	R	R	R	R	R	R
Carrying values at 1 July 2009	150 989 123	772 404 367	57 632 958	429 115	105 636 945	3 276 228	-	1 090 348 736
Cost after reclassification	187 248 637	1 164 183 500	108 987 959	429 115	224 805 155	4 753 493	-	1 690 407 859
Cost	187 248 637	1 164 548 406	108 987 959	429 115	219 946 763	4 753 493	-	1 695 914 433
Correction of reclassification	-	(364 906)	-	-	4 858 392	-	-	4 493 426
Revaluation	-	-	-	-	-	-	-	-
Accumulated depreciation after	36 279 514	391 779 133	51 355 001	-	119 168 210	1 477 265	-	600 059 123
Cost	36 279 514	390 825 359	51 355 001	-	119 168 210	1 477 265	-	599 105 349
Change in useful life estimate	-	953 774	-	-	-	-	-	953 774
Revaluation	-	-	-	-	-	-	-	-
Acquisitions	2 774 049	84 382 403	104 015	-	21 146 121	-	-	88 406 588
Capital under Construction	-	149 089 513	-	-	-	-	-	149 089 513
Increases/decreases in revaluation	-	-	-	-	-	-	-	-
Depreciation	3 618 637	84 550 654	3 807 576	-	26 849 867	143 306	-	98 771 042
- based on cost	3 618 637	84 550 654	3 807 576	-	26 849 867	143 306	-	98 771 042
- based on revaluation	-	-	-	-	-	-	-	-
Carrying value of disposals	-	-	-	-	(665 780)	-	-	(665 780)
Cost/revaluation	-	-	-	-	(2 842 586)	-	-	(2 842 586)
Accumulated depreciation	-	-	-	-	2 176 808	-	-	2 176 808
Impairment losses	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-
Carrying values at 30 June 2010	150 123 535	921 325 628	53 929 387	429 115	99 467 416	3 132 922	-	1 228 408 015
Cost	190 022 896	1 377 655 416	109 091 974	429 115	243 108 587	4 753 493	-	1 825 061 372
Revaluation	-	-	-	-	-	-	-	-
Accumulated depreciation	39 899 151	456 329 787	55 162 577	-	143 641 270	1 620 571	-	696 653 357
- Cost	39 899 151	456 329 787	55 162 577	-	143 641 270	1 620 571	-	696 653 357
- Revaluation	-	-	-	-	-	-	-	-

30 JUNE 2009

Reconciliation of Carrying Value	Land and Buildings	Infra-structure	Community	Heritage	Other	Housing (Rental Old Age)	Leased Infrastructure	Total
	R	R	R	R	R	R	R	R
Carrying values at 1 July 2008	107 663 762	651 209 783	52 567 268	429 115	96 285 743	3 419 632	-	911 555 303
Cost after reclassification	140 220 528	998 296 919	100 248 504	429 115	193 736 071	4 753 493	-	1 437 884 628
Cost	140 220 528	998 296 919	100 248 504	429 115	193 736 071	4 753 493	-	1 437 884 628
Correction of reclassification	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Accumulated depreciation after	32 556 764	347 087 138	47 681 236	-	97 470 328	1 333 861	-	526 129 325
Cost	31 694 786	378 724 295	48 194 647	-	103 563 851	1 333 861	-	583 511 422
Change in useful life estimate	861 966	(31 637 159)	(513 411)	-	(8 093 623)	-	-	(37 382 097)
Correction of reclassification	-	-	-	-	-	-	-	-
Acquisitions	47 320 598	98 844 628	8 739 455	-	26 903 264	-	-	181 807 943
Previous year error - stands not previously reflected	-	67 406 919	-	-	-	-	-	67 406 919
Correction of reclassification	-	(364 906)	-	-	4 858 392	-	-	4 493 426
Increases/decreases in revaluation	-	-	-	-	-	-	-	-
Depreciation	3 811 307	44 691 997	3 673 785	-	22 242 846	143 404	-	74 563 319
- based on cost	3 811 307	43 736 223	3 673 785	-	22 242 846	143 404	-	73 809 545
- change in useful life assessment	-	953 774	-	-	-	-	-	953 774
Carrying value of disposals	(203 928)	-	-	-	(147 608)	-	-	(351 536)
Cost/revaluation	(292 485)	-	-	-	(682 572)	-	-	(985 057)
Accumulated depreciation	88 557	-	-	-	544 864	-	-	633 521
Impairment losses	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-
Carrying values at 30 June 2009	150 869 123	772 769 333	57 632 958	429 115	105 636 945	3 276 228	-	1 090 348 736
Cost	187 248 637	1 164 548 406	108 987 959	429 115	224 805 155	4 753 493	-	1 690 407 859
Adjustment to cost (note 27)	-	-	-	-	-	-	-	-
Accumulated depreciation	36 279 514	391 779 133	51 355 001	-	119 168 210	1 477 265	-	600 059 123
- Cost	36 279 514	390 825 359	51 355 001	-	119 168 210	1 477 265	-	599 105 349
- change in estimate	-	953 774	-	-	-	-	-	953 774

RUSTENBURG LOCAL MUNICIPALITY  
NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

9. PROPERTY, PLANT AND EQUIPMENT - GROUP

30 JUNE 2010

Reconciliation of Carrying Value	Land and Buildings	Infra-structure	Community	Heritage	Other	Housing (Rental Old Age)	Leased infrastructure	Total
	R	R	R	R	R	R	R	R
Carrying values at 1 July 2009	145 085 115	1 000 558 919	57 632 958	429 115	89 593 563	3 276 228	3 361 081	1 299 936 979
Cost after reclassification	187 538 637	1 435 184 729	108 887 959	429 115	224 806 165	4 753 493	4 115 610	1 965 794 898
Cost	187 538 637	1 435 184 729	108 887 959	429 115	224 806 165	4 753 493	4 115 610	1 965 794 898
Correction of reclassification Revaluation	-	-	-	-	-	-	-	-
Accumulated depreciation after reclassification	42 453 522	434 605 810	51 355 001	-	135 211 592	1 477 265	754 529	665 857 719
Cost	42 453 522	434 605 810	51 355 001	-	135 211 592	1 477 265	754 529	665 857 719
Change in useful life estimate Revaluation	-	-	-	-	-	-	-	-
Acquisitions	2 774 049	64 362 403	104 015	-	21 146 121	-	98	88 406 686
Capital under Construction	-	149 089 513	-	-	-	-	-	149 089 513
Increases/decreases in revaluation	-	-	-	-	-	-	-	-
Depreciation	3 619 637	88 771 911	3 807 576	-	26 649 867	143 306	164 624	121 156 923
- based on cost	3 619 637	88 771 911	3 807 576	-	26 649 867	143 306	164 624	121 156 923
- based on revaluation	-	-	-	-	-	-	-	-
Carrying value of disposals	-	-	-	-	(665 780)	-	-	(665 780)
Cost/revaluation	-	-	-	-	(2 842 568)	-	-	(2 842 568)
Accumulated depreciation	-	-	-	-	2 176 808	-	-	2 176 808
Impairment losses	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-
Carrying values at 30 June 2010	144 239 527	1 127 258 923	63 929 397	429 115	83 424 036	3 132 922	3 196 555	1 415 610 476
Cost	180 312 686	1 648 836 645	106 091 974	429 115	243 106 887	4 753 493	4 115 708	1 965 794 898
Revaluation	46 073 159	521 377 721	56 162 877	-	159 884 652	1 620 571	919 153	784 537 834
Accumulated depreciation	46 073 159	521 377 721	56 162 877	-	159 884 652	1 620 571	919 153	784 537 834
- Cost	46 073 159	521 377 721	56 162 877	-	159 884 652	1 620 571	919 153	784 537 834
- Revaluation	-	-	-	-	-	-	-	-

30 JUNE 2009

Reconciliation of Carrying Value	Land and Buildings	Infra-structure	Community	Heritage	Other	Housing (Rental Old Age)	Leased infrastructure	Total
	R	R	R	R	R	R	R	R
Carrying values at 1 July 2008	107 663 762	879 364 336	52 567 268	429 115	96 265 743	3 419 632	3 525 705	1 143 235 560
Cost after reclassification	140 220 526	1 269 278 148	100 248 504	429 115	193 736 071	4 753 493	4 115 610	1 712 781 467
Cost	140 220 526	1 269 278 148	100 248 504	429 115	193 736 071	4 753 493	4 115 610	1 712 781 467
Correction of reclassification Revaluation	-	-	-	-	-	-	-	-
Accumulated depreciation after reclassification	32 556 764	389 913 813	47 881 286	-	97 470 326	1 333 861	589 905	569 545 007
Cost	31 894 766	421 550 872	48 164 647	-	108 563 851	1 333 861	589 905	606 929 004
Correction of reclassification Revaluation	861 996	(31 637 156)	(518 411)	-	(8 098 523)	-	-	(37 392 097)
Acquisitions	47 610 596	98 844 628	8 739 455	-	28 903 264	-	-	182 097 943
Previous year error - stands not previously reflected	-	67 406 919	-	-	-	-	-	67 406 919
Correction of reclassification	-	(364 966)	-	-	4 858 392	-	-	4 493 426
Increases/decreases in revaluation	9 965 315	44 681 997	3 673 765	-	38 286 228	143 404	164 624	95 945 333
Depreciation	9 965 315	44 681 997	3 673 765	-	38 286 228	143 404	164 624	95 945 333
- based on cost	9 965 315	44 681 997	3 673 765	-	38 286 228	143 404	164 624	95 945 333
- change in estimate	-	953 774	-	-	-	-	-	953 774
Carrying value of disposals	(293 926)	-	-	-	(147 608)	-	-	(351 536)
Cost/revaluation	(292 455)	-	-	-	(842 572)	-	-	(1 135 027)
Accumulated depreciation	86 557	-	-	-	944 984	-	-	1 031 541
Impairment losses	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-
Carrying values at 30 June 2009	145 085 115	1 000 558 919	57 632 958	429 115	89 593 563	3 276 228	3 361 081	1 299 936 979
Cost	187 538 637	1 435 184 729	108 887 959	429 115	224 806 165	4 753 493	4 115 610	1 965 794 898
Revaluation	42 453 522	434 605 810	51 355 001	-	135 211 592	1 477 265	754 529	665 857 719
Accumulated depreciation	42 453 522	434 605 810	51 355 001	-	135 211 592	1 477 265	754 529	665 857 719
- Cost	42 453 522	434 605 810	51 355 001	-	135 211 592	1 477 265	754 529	665 857 719
- Revaluation	-	953 774	-	-	-	-	-	953 774

Leased assets consist Portion 4 of the farm Tweedepoort 283JQ, commonly known as Bospoort Treatment plant; a portion of portion 1 of Town and townlands of Rustenburg 272JQ, commonly known as Rustenburg Sewerage Treatment plant; and portions of the farms PTN54, PTN23, PTN 76, PTN22, PTN21, & PTN41 commonly known as Boitekong sewerage treatment plant

The assets are encumbered by a general notarial bond, as security for the loan referred to in Note 2.



**RUSTENBURG LOCAL MUNICIPALITY**  
**NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010**

MUNICIPALITY	GROUP	
	2010	Restated 2009
R	R	R
<b>10 INVESTMENTS</b>		
Listed		
- Sanlam shares	90 728	90 728
Unlisted		
- Investment in Municipal Entities - at cost - Rustenburg Water Services Trust	1 000	-
Financial Instruments		
- Fixed Deposits	603 156	603 156
<b>Total Investments</b>	<b>693 884</b>	<b>693 884</b>
<b>Market valuation of listed investments</b>		
Sanlam shares	319 842	239 155
<b>Council's valuation of unlisted investments</b>		
Investment in Municipal Entity Rustenburg Water Services Trust	1 000	1 000
<b>Investment in Municipal Entity: Rustenburg Water Services Trust (RWST)</b>		
Percentage owned by Council (%)	100%	100%
<b>11 LONG-TERM RECEIVABLES</b>		
Consumer debtors transferred to long-term debtors (Wa Wina-project)	2 310 780	3 158 353
Wa Wina-cost recovery project	117 810 760	116 668 353
Less: Provision for doubtful debts	(115 500 000)	(115 500 000)
Loans - Sale of Stands	437 117	458 522
Finance lease to Rustenburg Water Services Trust (Municipal Entity)	-	-
Individual Housing Building Scheme	-	-
Less - Current portion transferred to current receivables	2 747 876	3 628 876
Loans - Sale of Stands	(28 830)	(29 830)
Finance lease to Rustenburg Water Services Trust	(29 830)	(29 830)
<b>Total Receivables</b>	<b>2 718 045</b>	<b>3 587 045</b>
<b>12 INVENTORY</b>		
Consumable stores - at cost	736 055	366 618
Maintenance materials - at cost	20 387 732	19 263 522
Spare parts - at net realizable value	98 131	63 857
Protective clothing - at cost	755 210	357 819
Water - at cost	250 197	258 584
Unsold properties held for resale - at net realizable value	1 914 493	2 055 985
<b>Total Inventory</b>	<b>24 141 818</b>	<b>22 386 385</b>

The infrastructure portion of unsold properties held for resale was capitalized in accordance with the prescribed accounting standard. See note 27 for further detail

RUSTENBURG LOCAL MUNICIPALITY

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

MUNICIPALITY	2010		GROUP		
			2010	Restated 2009	
13		CONSUMER DEBTORS: MUNICIPALITY			
		As at 30 June 2010			
		Service debtors			
		Rates	1 298 440 930	1 088 124 020	211 316 910
		Electricity	142 458 470	119 328 583	22 928 887
		Water	172 658 122	142 705 097	29 953 025
		Refuse	411 017 375	344 881 140	66 136 235
		Sewerage	130 396 166	109 407 955	20 988 211
		Other	108 055 502	90 683 183	17 392 319
			334 854 286	280 957 052	53 897 233
		Housing rentals			
		Sub-Total	3 938 989	3 304 980	634 009
		Less: Consumer debtors transferred under Wa Waiva project to Long-term Debtors	1 303 379 919	1 061 428 000	211 950 919
		Total Consumer debtors	(117 887 480)	(115 500 000)	(2 387 480)
			<u>1 185 482 436</u>	<u>975 925 000</u>	<u>209 557 440</u>
		As at 30 June 2009			
		Service debtors			
		Rates	1 025 887 515	856 302 128	169 585 387
		Electricity	117 050 026	97 608 730	19 441 276
		Water	106 015 767	89 215 314	16 800 453
		Refuse	334 994 709	279 364 282	55 640 537
		Sewerage	109 704 174	91 482 988	18 221 176
		Other	80 916 308	75 815 752	15 100 544
			267 206 353	222 825 052	44 381 301
		Housing rentals			
		Sub-Total	2 755 552	2 297 872	446 409
		Less: Consumer debtors transferred under Wa Waiva project to Long-term Debtors	1 028 643 087	888 000 000	170 043 087
		Total Consumer debtors	(118 688 353)	(115 500 000)	(3 168 353)
			<u>909 974 714</u>	<u>588 000 000</u>	<u>160 874 714</u>

**RUSTENBURG LOCAL MUNICIPALITY**  
**NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010**

MUNICIPALITY

Restated  
2009

2010

CONSUMER DEBTORS: GROUP

As at 30 June 2010

Service debtors

Rates

Electricity

Water

Refuse

Sewerage

Other

Housing rentals

Sub-Total

Less: Consumer debtors transferred under Wa Wina project to Long-term Debtors

Total: Consumer debtors

As at 30 June 2009

Service debtors

Rates

Electricity

Water

Refuse

Sewerage

Other

Housing rentals

Sub-Total

Less: Consumer debtors transferred under Wa Wina project to Long-term Debtors

Total: Consumer debtors

Consumer debtors: Arising - Wa Wina excluded

Current

30 Days (0 - 30 days)

31 - 60 Days

61 - 90 Days

91 - 120 Days

120+ Days

Total

Rates: Arising - Wa Wina excluded

Current

30 Days (0 - 30 days)

31 - 60 Days

61 - 90 Days

91 - 120 Days

120+ Days

Total

GROUP

2010

Restated  
2009

Gross  
Balances

Provision for  
Bad debts

Net  
Balances

1 305 927 415

142 459 470

172 658 122

411 017 375

130 386 166

108 055 502

342 340 780

3 939 989

1 310 866 404

(117 887 480)

1 193 879 924

1 032 405 446

117 050 026

106 015 767

334 984 799

105 704 174

80 916 396

273 724 284

2 755 552

1 035 100 994

(118 668 353)

916 462 645

140 721 164

49 318 716

35 140 466

28 051 285

27 454 715

908 746 748

1 180 433 094

90 856 926

47 039 056

28 723 435

25 557 734

23 284 112

705 538 465

318 009 726

10 270 948

5 357 570

3 279 892

2 766 120

2 525 249

78 756 762

102 958 541

**RUSTENBURG LOCAL MUNICIPALITY**  
**NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010**

	MUNICIPALITY		GROUP	
	Restated 2009	2010	2010	Restated 2009
<b>(Electricity, Water, Sewerage, refuse and other): Asset</b>				
Current				
30 Days (0 – 30 days)	121 514 819	126 313 640	126 313 640	60 348 632
31 – 60 Days	41 306 287	43 025 397	43 025 397	41 520 284
61 – 90 Days	30 183 328	30 183 328	30 183 328	22 335 003
91 – 120 Days	24 675 645	24 875 645	24 875 645	22 732 586
120+ Days	24 623 471	24 623 471	24 623 471	20 526 733
<b>Total</b>	<b>605 229 677</b>	<b>607 951 332</b>	<b>607 951 332</b>	<b>624 831 397</b>
		<b>1 056 972 813</b>	<b>1 056 972 813</b>	<b>812 295 635</b>
<b>Housing rentals: Asset</b>				
Current				
30 Days (0 – 30 days)	281 376	281 376	281 376	236 345
31 – 60 Days	185 808	185 808	185 808	161 202
61 – 90 Days	154 877	154 877	154 877	106 540
91 – 120 Days	149 462	149 462	149 462	57 028
120+ Days	138 338	138 338	138 338	40 863
<b>Total</b>	<b>2 151 574</b>	<b>3 029 128</b>	<b>3 029 128</b>	<b>2 151 574</b>
	<b>2 735 552</b>	<b>3 938 969</b>	<b>3 938 969</b>	<b>2 755 552</b>
<b>Reconciliation of the bad debt provision</b>				
Balance at beginning of the year	678 000 000	859 600 000	859 600 000	678 000 000
Contributions to provision	180 600 000	232 829 000	232 829 000	180 600 000
Bad debts written off against provision	-	-	-	-
Reversal of provision	-	-	-	-
Balance at end of year	<b>858 600 000</b>	<b>1 091 429 000</b>	<b>1 091 429 000</b>	<b>858 600 000</b>
Bad debts to the amount of R 1 283 (2009: R 608 524) was written off during the year				
<b>14 OTHER DEBTORS</b>				
Grant Debtors – Capital Projects	-	740 798	740 798	-
Study Bursaries to employees	945 082	1 145 992	1 145 992	845 082
Interest Receivable	3 551 064	3 007 276	3 007 276	3 551 064
Other	444 395	1 276 282	1 276 282	968 380
<b>Total Other Debtors</b>	<b>4 940 542</b>	<b>6 170 348</b>	<b>6 170 348</b>	<b>5 464 507</b>

**RUSTENBURG LOCAL MUNICIPALITY**  
**NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010**

	MUNICIPALITY	GROUP
	Restated 2009	2010 Restated 2009
<b>15</b>	<b>2010</b>	
<b>15</b>	<b>SHORT-TERM FIXED DEPOSITS</b>	
- ABSA	103 477 057	103 477 057
- Nedbank (CRR)	62 227 619	60 493 644
- First National Bank	84 190 690	103 904 634
- Sanlam (CRR)	36 007 777	35 492 525
- ABSA - Guarantee deposit	590 000	123 256 807
- Kagiso Asset Management (Self Insurance Reserve and Development of Housing)	37 713 326	590 000
- Standard Bank (CRR)	126 384 606	35 140 943
	<u>467 841 236</u>	<u>452 391 276</u>
		<u>457 941 236</u>
<p>Certain of the above deposits have been earmarked to cover the balance of the Capital Replacement Reserve (CRR), the Self-Insurance Reserve and Development of Housing. The average interest earned on these fixed deposits was 7.23% (2009: 12.18%)</p>		
<b>16</b>	<b>BANK BALANCES AND CASH</b>	
<b>16.1</b>	<b>Current Account (P/imary Bank Account)</b>	
ABSA, Rustenburg branch		
Account number: 1220 000 458	114 573 995	41 798 587
Cash book balance at beginning of year	<u>82 976 810</u>	<u>114 573 995</u>
Cash book balance at end of year		
Bank statement balance at beginning of year	169 961 279	99 009 207
Bank statement balance at end of year	<u>118 322 376</u>	<u>169 961 279</u>
<p>The Municipality does not utilize overdraft facilities, although an overdraft facility of R1 469 863 has been granted by ABSA</p>		
<b>16.2</b>	<b>Housing Development Account</b>	
ABSA, Rustenburg branch		
Account number: 405 461 7192	21 139 776	20 995 590
Cash book balance at beginning of year	<u>20 367 009</u>	<u>21 139 776</u>
Cash book balance at end of year		
Bank statement balance at beginning of year	21 331 700	21 339 700
Bank statement balance at end of year	<u>20 470 363</u>	<u>21 331 297</u>
<b>16.3</b>	<b>2010 FIEA World Soccer Bank account</b>	
ABSA, Rustenburg branch		
Account number: 40-6760-2132	3 726 249	48 362 526
Cash book balance at beginning of year	<u>3 910 953</u>	<u>3 726 249</u>
Cash book balance at end of year		
Bank statement balance at beginning of year	39 239 784	52 362 526
Bank statement balance at end of year	<u>3 910 914</u>	<u>39 239 784</u>

**RUSTENBURG LOCAL MUNICIPALITY**  
**NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010**

MUNICIPALITY	GROUP	
	2010	Restated 2009
<b>16.4 Current Account (Primary Bank Account) - RWST</b>		
ABSA, Disbursement Reserve Account		
Account number: 4061024001		
Cash book balance at beginning of year		16 313 991
Cash book balance at end of year	440 679	
Bank statement balance at beginning of year		440 679
Bank statement balance at end of year	18 542 502	
		53 204 320
	53 204 320	
		53 204 320
	18 542 502	
		53 204 320
The Trust does not have any overdraft facilities		
<b>16.5 Rustenburg Deposit Account - RWST</b>		
ABSA, Rustenburg Deposit Account		
Account number: 4061023940		
Cash book balance at beginning of year		912 189
Cash book balance at end of year	85 433	
Bank statement balance at beginning of year		85 433
Bank statement balance at end of year	85 433	
		912 189
		85 433
<b>16.6 Contingency Reserve Account - RWST</b>		
ABSA, Contingency Reserve Account		
Account number: 4061024115		
Cash book balance at beginning of year		(46)
Cash book balance at end of year	8 983 954	
Bank statement balance at beginning of year		8 983 954
Bank statement balance at end of year	9 638 535	
		(46)
	8 983 954	
		8 983 954
<b>16.7 Industrial Reserve Account - RWST</b>		
ABSA, Industrial Reserve Account		
Account number: 4061024051		
Cash book balance at beginning of year		(46)
Cash book balance at end of year	501 551	
Bank statement balance at beginning of year		501 551
Bank statement balance at end of year	537 206	
		501 551
		537 206
		501 551

RUSTENBURG LOCAL MUNICIPALITY  
NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

	MUNICIPALITY		GROUP	
	Restated 2009	2010	2010	Restated 2009
<b>10.8 ABSA'S</b>				
ABSA's Debt Service Reserve Account				
Account number: 4061023877				
Cash book balance at beginning of year			40 235 589	20 177 623
Cash book balance at end of year			43 160 110	40 235 589
Bank statement balance at beginning of year			40 235 589	20 177 623
Bank statement balance at end of year			43 160 110	40 235 589
Bank and cash balances at end of year:				
- Bank balances as disclosed above	139 440 020	107 254 172		189 697 536
- Cash on hand	28 360	28 360		28 360
	<b>139 468 380</b>	<b>107 283 132</b>		<b>189 715 896</b>
<b>17 PROPERTY RATES</b>				
Actual				
Residential	60 701 214	3 473 317	3 473 317	60 701 214
Commercial	38 285 053	58 461 797	58 461 797	38 285 053
Agricultural	1 859 556	6 330 052	6 330 052	1 852 566
State	4 851 201	79 218 483	79 218 483	4 851 201
Total Assessment Rates	<b>105 696 024</b>	<b>147 483 650</b>	<b>147 483 650</b>	<b>105 696 024</b>
Property Valuations: Site value only				
June 2009		June 2010		June 2009
Residential	1 351 570 450	19 445 117 650	19 445 117 650	1 351 570 450
Commercial	437 988 001	3 144 211 400	3 144 211 400	437 988 001
Industrial	33 170 000	311 441 000	311 441 000	33 170 000
Municipal	7 896 300	140 437 200	140 437 200	7 896 300
Agricultural	299 925 164	1 019 905 650	1 019 905 650	298 925 164
State	175 940 220	834 063 420	834 063 420	175 940 220
Churches	1 448 600	98 484 000	98 484 000	1 448 600
Educational	4 189 900	10 713 000	10 713 000	4 189 900
Roads		686 200	686 200	
Total Property Valuations: Sites	<b>2 312 128 835</b>	<b>25 005 279 920</b>	<b>25 004 393 520</b>	<b>2 289 701 834</b>
Valuations on land and buildings are performed every four years. The last valuation came into effect on 1 October 2003 and have been effective until 30 June 2008. The new Property Rates Act was implemented on 1 July 2008 together with a new valuation roll. Interim valuations are processed on a quarterly basis to take into account changes in individual property values due to alterations and subdivisions. A general rate of 4.53 cent (2008, 4.10 cent) in the land on the land value of residential properties is applied to property valuations to determine assessment rates. Rebates of between 20% and 40% are given to pensioners depending on their gross monthly income. Different rates are applied to different type of properties				
<b>18 SERVICE CHARGES</b>				
Sale of electricity	508 691 813	845 559 715	845 559 715	508 691 813
Sale of water	179 559 847	197 333 176	250 461 104	227 142 253
Refuse removal	41 448 142	44 751 158	44 751 158	41 448 142
Sewerage and sanitation charges	36 147 316	49 013 686	32 902 927	23 789 690
Total Service Charges	<b>765 846 916</b>	<b>1 137 557 735</b>	<b>1 173 674 904</b>	<b>802 071 896</b>

## RUSTENBURG LOCAL MUNICIPALITY

## MUNICIPALITY

Restated 2009	2010	19	GRANTS AND SUBSIDIES	Restated 2009
131 308 089	164 274 187	-	- From organs of the State on National level	131 308 089
252 184	-	-	Equitable share	252 184
111 621 042	5 059 856	-	Provincial health subsidies	111 621 042
10 823 480	13 478 139	-	2010 FIFA WCSD	10 823 480
114 727 214	102 512 684	-	FIFA Host City Grant	114 727 214
15 898 958	3 603 444	-	MIG Grant	15 898 958
656 435	-	-	Housing project grants	656 435
931 250	282 765	-	Skills levy	931 250
17 753 729	41 112 279	-	Department of Water Affairs and Forestry	17 753 729
2 400 028	2 019 501	-	Department of Minerals & Energy	2 400 028
207 857	-	-	Municipal Infrastructure Grant for PMU	207 857
500 000	369 588	-	Integrated Transport Slurry Grant	500 000
117 074 536	846 117	-	Integrated Development Grant	117 074 536
11 083 035	101 734 152	-	Finance Management Grant	11 083 035
30 692 063	4 851 541	-	PTIS	30 692 063
714 488	1 877 885	-	Setia ERPW training	714 488
-	-	-	Department of Sports, Arts & Culture	-
-	540 000	-	IMMIS grant	-
-	-	-	Municipal Systems Improvement Grant	-
-	-	-	- Private grants/subsidies	-
6 753	275 000	-	DBSA - City Development Agency	6 753
572 383	-	-	Library, Information & Educational network	572 383
-	-	-	Business Advice Centre, Anglo Platinum	-
-	-	-	Tribal authority grant	-
-	-	-	Royal Balo Kong Nation: western by-pass	-
18 736 744	372 703	-	Mines	18 736 744
350 000	-	-	- From other municipalities	350 000
429 500	794 618	-	Local Government SETA: ABET	429 500
1 076 714	1 781 230	-	BPDIM - Clearing of cemeteries/LED Business Plans & other	1 076 714
47 249	-	-	NWPG	47 249
-	-	-	Other	-
587 853 750	445 785 691	-		587 853 750

The municipality has complied with all the conditions set by the transferring organ of State or the conditions set by the other institutions who made allocations to the municipality. The unspent portion of conditional allocations are disclosed as unspent conditional grants on the face value of the Statement of Financial Position of the municipality.

### 19.1 Equitable Share

In terms of the Division of Revenue Act, the annual equitable share allocated to the municipality is an unconditional grant. A portion of this grant is used by the municipality to subsidize the provision of basic services in line with national policy. All registered indigent consumers of municipal services receive a monthly subsidy of R 392.71 (2009: R480-50) if the household income is below R 1 010 (2009: R 1 010) per month if household income is more than R 1010 (R2009: R 1010) but less than R2 020 (2009: R2 020) per month, and 50% of the subsidy is allocated to the indigent household.

## 19.2 Changes in levels of government grants

Based on the allocations set out in the latest Division of Revenue Act, no significant changes in the level of government grant funding are expected over the forthcoming 3 financial years



**RUSTENBURG LOCAL MUNICIPALITY**  
**NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010**

	MUNICIPALITY		GROUP	
	Restated 2009	2010	2010	Restated 2009
<b>20 OTHER INCOME</b>				
Service connections	9 813 360	5 667 758	5 667 758	9 813 360
Reconnection fees	6 491 525	3 710 795	3 710 795	6 491 525
Telephone fees recovered	426 599	444 047	444 047	426 599
Tender document fees	446 273	505 009	505 009	446 273
Engineering services (also contributed to CRR)	-	6 662 253	6 662 253	-
Recoverable expenditure	-	6 175 584	6 175 584	-
Other	7 836 528	3 077 061	3 077 061	7 836 528
<b>Total Other Income</b>	<b>25 012 285</b>	<b>28 262 507</b>	<b>28 262 507</b>	<b>25 012 285</b>
<b>21 EMPLOYEE RELATED COSTS</b>				
Employee related costs - Salaries and Wages	139 865 467	158 892 058	158 892 058	139 865 467
Employee related costs - Contributions for UIF, pensions and medical aids	35 604 667	43 810 645	43 810 645	35 604 667
Employee related costs - Provision for post retirement medical aid benefits	33 759 340	(82 559 000)	(82 559 000)	33 759 340
Travel, motor car, accommodation, subsistence and other allowances	10 694 613	12 411 069	12 411 069	10 694 613
Housing benefits and allowances	2 847 726	2 015 013	2 015 013	2 847 726
Overtime payments	15 467 180	23 079 618	23 079 618	15 467 180
Annual bonus	9 788 026	11 505 536	11 505 536	9 788 026
Other	2 088 719	8 523 561	8 523 561	2 088 719
Less: Employee costs capitalized to Property, Plant and Equipment	(3 227 475)	(1 397 450)	(1 397 450)	(3 227 475)
Less: Employee costs included in other expenses	(2 305 800)	(2 300 950)	(2 300 950)	(2 305 800)
<b>Total Employee Related Costs</b>	<b>244 593 513</b>	<b>173 980 300</b>	<b>173 980 300</b>	<b>244 593 513</b>
There were no new advances to employees. Loans to employees are set out in note 14				
<b>Remuneration of the Municipal Manager</b>				
Annual Remuneration			MUNICIPALITY ONLY	886 750
Performance bonus			1 001 261	-
Car Allowance			-	-
Travelling allowance			180 000	180 000
Contributions to UIF, Medical and Pension Funds			78 698	85 278
Settlement Amount - E. Matlale			-	-
Accumulated leave paid out			228 345	114 787
<b>Total</b>			<b>1 490 284</b>	<b>1 276 815</b>
<b>Remuneration of the Chief Finance Officer</b>				
Annual Remuneration			852 657	763 413
Performance bonus			-	-
Car Allowance			-	-
Travelling allowance			144 000	144 000
Contributions to UIF, Medical and Pension Funds			1 497	1 487
Accumulated leave paid out			-	-
Acting allowance			-	-
<b>Total</b>			<b>898 154</b>	<b>908 910</b>

RUSTENEURG LOCAL MUNICIPALITY

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

MUNICIPALITY

Restated  
2009

2010

GROUP

Restated  
2009

2010

Remuneration of Individual Executive Directors - Municipality only  
30 June 2010

	Public Safety	Planning & Development	Infrastructure Development	Corporate Services
Annual Remuneration	653 471	-	805 729	733 728
Performance bonus	-	-	-	-
Travel Allowance	84 000	-	108 000	180 000
Contributions to UIF, Medical and Pension Funds	1 497	-	1 497	1 497
Settlement amount	-	-	-	-
Leave paid out	20 559	-	-	91 523
Acting allowance	-	-	-	-
<b>Total</b>	<b>758 527</b>	<b>-</b>	<b>915 226</b>	<b>1 005 748</b>

30 June 2010

	Community Development	Local Economic Development
Annual Remuneration	665 415	598 734
Performance bonus	-	-
Travel Allowance	84 000	84 000
Contributions to UIF, Medical and Pension Funds	1 497	1 497
Settlement amount	-	-
Leave paid out	36 044	12 070
Acting allowance	-	-
<b>Total</b>	<b>786 956</b>	<b>896 301</b>

30 June 2009

	Public Safety	Planning & Development	Infrastructure Development	Corporate Services
Annual Remuneration	587 789	600 715	724 024	652 024
Performance Bonuses	-	-	-	-
Travel Allowance	84 000	91 452	108 000	180 000
Contributions to UIF, Medical and Pension Funds	1 497	1 497	1 497	1 497
Settlement amount	-	-	-	-
Leave paid out	37 620	113 766	-	-
Acting allowance	-	-	-	-
<b>Total</b>	<b>716 906</b>	<b>807 430</b>	<b>833 521</b>	<b>833 521</b>

30 June 2009

	Community Development	Local Economic Development
Annual Remuneration	598 647	538 028
Performance Bonuses	-	-
Travel Allowance	84 000	84 000
Contributions to UIF, Medical and Pension Funds	1 497	1 497
Settlement amount	-	-
Leave paid out	-	-
Acting allowance	-	-
<b>Total</b>	<b>684 144</b>	<b>623 525</b>

**RUSTENBURG LOCAL MUNICIPALITY**  
**NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010**

	MUNICIPALITY		GROUP	
	Restated 2009	2010	2010	Restated 2009
<b>22</b>				
<b>REMUNERATION OF COUNCILLORS</b>				
Executive Mayor	619 176	648 868	648 868	619 176
Speaker	460 670	558 628	558 628	460 670
Mayoral Committee Members	3 380 388	3 942 765	3 942 765	3 380 388
Councillors	10 066 359	10 729 943	10 729 943	10 066 359
Councillors' pension contribution	975 411	1 027 636	1 027 636	975 411
<b>Total Councillors' Remuneration</b>	<b>15 532 004</b>	<b>16 907 840</b>	<b>16 907 840</b>	<b>15 532 004</b>
The Council contribution to the pension fund for the Executive Mayor, Speaker and Mayoral Committee members are included in the specific line above. Pension contributions above are thus for all Councillors not specifically disclosed				
<i>In-Kind Benefits</i>				
The Executive Mayor, Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.				
The Executive Mayor is entitled to stay at the mayoral residence owned by Council at no cost. The Executive Mayor has use of a Council owned vehicle for official duties and has a full time driver and body guard. The Executive Mayor further has access to a budget of R250 000 per annum to be utilized as he deems fit.				
The Executive Mayor have access to an entertainment facility of R20 000 per annum. The Speaker, Chief Whip and members of the Mayoral Committee have all access to an entertainment facility of R 12 000 per annum.				
<b>23</b>				
<b>INTEREST PAID</b>	<b>14 467 270</b>	<b>13 300 150</b>	<b>44 924 004</b>	<b>47 517 028</b>
Long-term liabilities				
<b>24</b>				
<b>BULK PURCHASES</b>				
Electricity: Other consumers	197 010 989	272 634 750	262 647 985	165 923 192
Electricity: Bulk Consumer	162 275 877	374 006 576	374 006 576	162 275 877
Water	119 297 895	136 377 840	136 377 840	119 297 895
<b>Total Bulk Purchases</b>	<b>478 584 761</b>	<b>783 019 166</b>	<b>773 032 403</b>	<b>467 496 964</b>
<b>25</b>				
<b>GRANTS AND SUBSIDIES PAID</b>				
Grant paid to SPCA	300 000	199 999	199 999	300 000
Grant to Rustenburg Municipality: Sport and Recreation Club	48 720	-	-	48 720
Grant to Basile Mpelegole Ngywana - Children's Home	-	48 300	48 300	-
<b>Total Grants and Subsidies</b>	<b>348 720</b>	<b>248 299</b>	<b>248 299</b>	<b>348 720</b>

The subsidy to the SPCA is to assist this registered charity to undertake its tasks.

The grant to Basile Mpelegole Ngywana is to support physically challenged children.

**RUSTENBURG LOCAL MUNICIPALITY**  
**NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010**

MUNICIPALITY	GROUP	
	2010	Restated 2009
<b>26 GENERAL EXPENSES</b>		
Included in general expenses are the following major items:-		
Rentals Operating lease - L. M. Mufiso Motors (Pty) Ltd		597 905
Funeral assistance to Councilor families	-	299 625
Advertising/printing & stationery	-	2 892 840
Audit fees	2 956 235 00	2 042 358
Provision for the rehabilitation of landfill sites	-	450 000
FIFA Soccer World Cup expenditure	212 861 532	114 209 043
Bank charges	1 944 212	1 736 186
Backlogs	1 287 286	-
Copy charges	2 335 622 00	973 790
Grant and other funding Phokeng Unit Road/Western Bypass	-	130 286 964
City beautification project	1 904 482	1 117 384
Departmental charges: Municipal Services utilized by Municipality	1 803 768 00	8 257 017
Grant written off: Austrian Government	-	1 827 394
Economic Benefits	2 684 335	-
Energy efficiency street lighting	2 903 632	-
Events 2010Federation Cup	4 929 362	3 136 545
Housing funded by DPLG & H	3 603 444 00	15 696 956 00
Insurance	-	1 867 192
Implement corrections and audit queries	2 926 525 00	-
Indigent subsidies i.e. policy	-	3 837 871
Financial Management Support/Audit qualification corrections	-	3 914 412
Integrated Transport Study	-	-
Legal expenses	2 628 808	3 256 616
License fees	2 082 661 00	1 923 183
Materials and stock	-	1 694 448
Manage & Monitor CCTV Camera system	2 460 000	1 854 990
Medical aid contributions: Retired employees	2 695 300	2 736 979
Membership fees	1 226 860 00	-
Public viewing Confederation Cup expenses	-	3 243 354
Postage	1 608 897 00	1 262 554
Penalties/interest: SARS	-	1 360 937
Printing: License Cards	3 929 463 00	1 041 963 00
Rentals: Office machines	-	3 861 301
Skills Development Levies	-	1 750 623
Telephone costs	5 079 595	5 067 578
Training personnel	2 213 344	1 720 202
Transport	18 660 764	20 837 564
AVM - Onsite vending system	3 482 814 00	1 641 022
Upgrading of Moses Kotane Stadium: 2010 Training Venue	-	30 882 063
Volunteer programme: Confederation Cup	5 615 036 00	7 701 563
Special Projects	-	3 170 385
Workmen's Compensation	1 129 519 00	1 410 129
World Cup Soccer: Marketing and related projects	-	1 444 110
Ward Committee stipend	-	1 043 700
Other	44 421 294 00	18 131 402
	<b>339 371 814</b>	<b>410 226 191</b>
	<b>46 346 118 00</b>	<b>20 629 114</b>
	<b>341 266 636</b>	<b>412 725 813</b>

RUSTENBURG LOCAL MUNICIPALITY  
NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

	MUNICIPALITY		GROUP
	Restated 2009	2010	Restated 2008
27			
<b>CHANGE IN ACCOUNTING POLICY AND CORRECTION OF ERRORS</b>			
The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising			
<b>27.1 Correction of error: Retention</b>			
Balance previously reported: 30 June 2009			
- Correction of previous year results - retention and assets misstated			
	23 714 625 (364 966)		23 714 625 (364 966)
	<u>23 349 659</u>		<u>23 349 659</u>
<b>27.2 Correction of error: Assets</b>			
Balance previously reported: 30 June 2009			
- Correction of previous year results - cost			
- Correction of previous year results - accumulated depreciation as a result of change in classification			
- Correction of previous year results - zero value assets assessed			
	1 086 609 084 (364 966) (953 774) 4 859 392		1 296 397 328 (364 966) (953 774) 4 859 392
	<u>1 080 346 736</u>		<u>1 299 536 979</u>
<b>27.3 Correction of error: Debtors</b>			
Balance previously reported: 30 June 2009			
- Correction of previous year results - cost			
	167 843 770 (869 056)		174 361 701 (869 056)
	<u>166 974 714</u>		<u>173 362 645</u>
<b>27.4 Correction of error: VAT</b>			
Balance previously reported: 30 June 2009			
- Correction of previous year results - cost			
	44 101 743 (266 045)		45 004 081 (266 045)
	<u>43 835 698</u>		<u>44 738 036</u>
<b>27.5 Correction of error: Inventory</b>			
Balance previously reported: 30 June 2009			
- Correction of previous year results - cost			
	21 861 768 534 617		21 861 768 534 617
	<u>22 396 385</u>		<u>22 396 385</u>
<b>27.6 Correction of error: net profit</b>			
Balance previously reported: 30 June 2009			
Correction of previous year results			
- materials and stock			
- rates			
- waste management			
- sanitation service			
- water service			
- electrical			
- interest on debtors			
- depreciation			
	188 305 623 240 736 (40 758) (188 474) (13 005) (1 593 464) 1 483 180 (66 603) (953 774)		152 974 700 240 736 (40 758) (188 474) (13 005) (1 593 464) 1 483 180 (66 603) (953 774)
	<u>157 163 764</u>		<u>151 852 539</u>
Restated balance of consumer debtors: 1 July 2009			

**RUSTENBURG LOCAL MUNICIPALITY**  
**NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010**

	MUNICIPALITY		GROUP	
	Restated 2009	2010	2010	Restated 2009
<b>28 CASH GENERATED FROM/(UTILIZED IN) OPERATIONS</b>				
Surplus for the year	157 193 764	156 787 098	158 853 239	151 852 541
Adjustment for -				
Depreciation	74 553 319	98 771 041	121 156 922	95 945 333
Less / (Gain) on disposal of property, plant and equipment	(7 737 590)	(17 358 104)	(17 358 104)	(7 737 590)
Contribution to/from provisions - non-current	(175 785 366)	(234 327 042)	(234 327 042)	(175 785 366)
Contribution to bad debt provision	180 600 000	232 829 040	232 829 000	180 600 000
Royalties	(17 998 360)	(17 749 723)	(17 749 723)	(17 998 360)
Dividends received	(13 563)	(13 802)	(13 802)	(13 563)
Investment income	(136 690 943)	(112 709 635)	(116 792 867)	(140 719 146)
Interest paid	14 467 270	13 310 151	44 834 026	47 517 028
<b>Operating surplus before working capital changes:</b>	<b>88 568 541</b>	<b>119 535 875</b>	<b>169 531 629</b>	<b>134 670 888</b>
(Increase)/Decrease in inventories	(7 644 252)	(1 745 434)	(1 745 434)	(7 644 252)
(Increase)/Decrease in debtors	687 354	(42 699 726)	(42 698 726)	897 354
(Increase)/Decrease in other debtors	7 938 773	(668 640)	(1 738 709)	7 710 089
(Decrease)/Increase in unspent conditional grants and receipts	(64 412 448)	(2 671 235)	(2 671 235)	(64 412 448)
Increase/(Decrease) in creditors	42 942 942	48 595 612	58 053 931	46 495 224
Increase/(Decrease) in provisions	34 466 121	(92 087 424)	(92 087 424)	34 466 121
Increase in VAT	5 832 635	18 832 652	18 932 652	5 832 635
<b>Cash generated by/(utilized in) operations</b>	<b>107 509 667</b>	<b>57 216 680</b>	<b>118 805 654</b>	<b>157 805 620</b>
<b>29 CASH AND CASH EQUIVALENTS</b>				
Cash and cash equivalents included in the cash flow statement comprise the following statement of amounts indicating financial position.				
Bank balances and cash	139 468 380	107 283 132	179 161 485	189 715 856
Call investment deposits	467 941 238	452 591 276	452 591 276	467 941 238
<b>Total cash and cash equivalents</b>	<b>607 409 618</b>	<b>559 874 408</b>	<b>631 752 761</b>	<b>657 657 134</b>
<b>30 UTILIZATION OF LONG-TERM LIABILITIES RECONCILIATION</b>				
Long-term liabilities	104 652 500	101 341 300	101 341 300	104 652 500
Used to finance property, plant and equipment - at cost	162 840 535	-	-	162 840 535
Sub-total	(57 988 035)	101 341 300	101 341 300	(57 988 035)
<b>Cash set aside for the repayment of long-term liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash invested for repayment of long-term liabilities</b>	<b>(57 988 035)</b>	<b>101 341 300</b>	<b>101 341 300</b>	<b>(57 988 035)</b>
External loans have been utilized in accordance with the Municipal Finance Management Act. Sufficient cash has been set aside to ensure that long term liabilities can be repaid on the redemption date				
<b>31 UNAUTHORIZED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE</b>				
<b>31.1 Unauthorized expenditure</b>				
-2010				
No known material unauthorized expenditure were incurred or disallowed during the year under review.				
-2009				
No known material unauthorized expenditure were incurred or disallowed during the year under review				
<b>31.2 Fruitless and wasteful expenditure</b>				
-2010				
No known material unauthorized expenditure were incurred or disallowed during the year under review				
-2009				
No known material fruitless and wasteful expenditure were incurred during the year under review, except penalties and interest charged by SARS to the amount of R 1 360 937. However, R 1205 058 will be refunded by SARS following successful objection				

**RUSTENBURG LOCAL MUNICIPALITY**  
**NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010**

	MUNICIPALITY Restated 2009	2010	GROUP 2010	Restated 2009
<b>32 INVESTIGATIONS</b>				
<p>A forensic investigation has been conducted on pre-paid electricity sales following the discovery of cash shortages related to the sale of pre-paid electricity. The estimated loss is R 27 492 000. The Municipality has reported the case to the SAPS and has subsequently implemented adequate controls to prevent further losses. Disciplinary action against implicated employees is in process.</p>				
<b>33 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT</b>				
<b>33.1 Contributions to organized local government</b>				
Opening balance	847 124		1 228 860	947 124
Council subscriptions - this year (2007) Include previous years amount in dispute)	(847 124)		(1 228 860)	(947 124)
Amount paid - current year	-		-	-
Amount paid - previous years	-		-	-
Balance unpaid	-		-	-
<b>33.2 Audit fees</b>				
Opening balance	146 991		146 991	-
Current year audit fee (2009/09)	-		-	146 991
Audit fee charged, previous years (2007/08)	1 895 367		3 065 171	3 031 350
Amount paid - current year	(1 895 367)		(3 065 171)	(1 866 522)
Amount paid - previous years (2008/07)	-		(146 991)	-
Balance unpaid (included in creditors)	146 991		-	1 209 839
<b>33.3 VAT</b>				
Net VAT payable are disclosed in note 8. All VAT returns have been submitted by the due date throughout the year.				
<b>33.4 PAYE &amp; UIF</b>				
Opening balance	-		-	-
Current year payroll deductions & Council Contribution	24 516 261		29 388 426	24 516 261
Amount paid - current year	(24 516 261)		(29 388 426)	-
Amount paid - previous years	-		-	-
Balance unpaid (included in creditors)	-		-	-
<b>33.5 Other levies paid</b>				
Skills development levy	1 745 089		2 028 395	1 745 089
Motor vehicle license fees collected and paid over to NWPLG	48 003 401		49 566 962	48 003 401
	49 748 490		51 595 357	49 748 490
<b>33.6 Pension and Medical Aid Deductions</b>				
Opening balance	-		-	-
Current year payroll deductions and Council Contributions	59 809 089		63 598 693	59 809 089
Amount paid - current year	(59 809 089)		(63 598 693)	(59 809 089)
Amount paid - previous years	-		-	-
Balance unpaid (included in creditors)	-		-	-

RUSTENBURG LOCAL MUNICIPALITY

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

MUNICIPALITY

Restated  
2009

2010

33.7 Councillor's interest consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days as at:

Councillor's at-risk consumer accounts			2010		GROUP	
MUNICIPALITY			2009			
The following Councillors had arrear accounts outstanding for more than 90 days as at:						
30 June 2010			30 June 2009			
	Total	Outstanding less than 30 days	Outstanding > than 30 days	Wa Wina		
Beukes E	6 982	509	6 474			
Khunou NM	769	260	530			
Lebotse MN	14 078	269	13 778			
Marekoa BB	11 366	309	11 047			
Masisi MC	67 339	779	65 233	1 328		
Matabogo AL & VM	2 191	797	1 395	1 836		
Mmusu EM	16 503	288	14 379			
Mmusu DN	8 481	163	8 268			
Molefe JL	2 863	462	2 400			
Molefe JL	3 248	70	3 178			
Motswadi P	511	348	163			
Mpengu ML	17 764	360	13 895	3 508		
Ngeobu L	12 342	205	8 830	3 306		
Nonoo ZA	72 529	1 390	58 988	12 153		
Nzumalo J	8 331	744	7 586			
Nyathi NJ	8 207	663	7 545			
Seduke D	23 288	528	22 771			
Segale M	558	215	342			
Segale M	24 460	304	24 156			
Segole GG & DR	2 010	779	1 231			
Wolmarans MJ	3 518	538	2 980			
Wolmarans MJ	444	259	186			
	307 804	10 298	275 376	22 131		
30 June 2009			30 June 2009			
	Total	Outstanding less than 30 days	Outstanding > than 30 days	Wa Wina		
Lebotse MN	10 731	651	10 180			
Marekoa BB	5 919	372	5 547			
Masisi MC	56 928	3 433	52 168	1 327		
Mmusu DN	3 570	1 632	1 938			
Mokowe LJ & NE	5 772	804	4 968			
Molefe JL	2 481	116	2 365			
Mpengu ML	16 291	1 003	11 780	3 508		
Ngeobu L	13 256	795	9 155	3 306		
Nonoo ZA	58 805	1 576	45 076	12 153		
Nzumalo J	4 739	783	3 956			
Nzumalo J	8 896	500	7 65	7 601		
Seduke D	17 998	940	17 048			
	205 366	12 503	164 966	27 895		





# RUSTENBURG LOCAL MUNICIPALITY

## NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

MUNICIPALITY	Restated 2009	2010	GROUP	Restated 2009
35		RETIREMENT BENEFIT INFORMATION	<p>Personnel and Councilors are members of the following funds.</p> <p>Joint Municipal Pension Fund (JMPPF)</p> <p>Municipal Gratuity Fund (MGF)</p> <p>Municipal Employees Pension Fund (MEPF)</p> <p>Municipal Councilors Pension Fund (MCPF)</p> <p>Government Employees Pension Fund</p> <p>National Fund for Municipal Workers (NFMW)</p> <p>Last known actuarial valuations is as follows:</p> <p>The Municipal Gratuity Fund is a defined benefit governed under the Pension Fund Act of 1956. The most recent actuarial valuation indicated that the fund was financially sound.</p> <p>The NFMW is a fixed contribution fund and there is no statutory requirement to do an actuarial valuation.</p> <p>The MEPF is a fixed contribution fund.</p> <p>The MCPF is a fixed contribution fund.</p> <p>The JMPPF is a fixed contribution fund.</p> <p>All Councilors and employees belong to the 5 defined benefit retirement funds administered by the Provincial Pension Fund as disclosed above. These funds are subject to a triennial actuarial valuation.</p> <p>An amount of R24.7 million (2009: R28.9 million) was contributed by Council in respect of Councilor and employees retirement funding. These contributions have been expensed.</p>	
36	6 909 539	1 181 137	<p><b>CONTINGENT LIABILITY</b></p> <p>Bank Guarantees</p> <p>These guarantees are issued in favour of the following:</p> <ul style="list-style-type: none"> <li>- S A S en Hwarens R 400</li> <li>- Eskom Holdings Limited R 1 500</li> <li>- AB8 South Africa (Pty) Ltd R 5 728 402.80 (EXPIRED 30/09/2009)</li> <li>- Eskom R 9 759</li> <li>- Magalies Water R 1 169 438</li> </ul> <p>Legal Claims</p> <p>Various claims submitted to the legal department of the municipality are in the process of being resolved. The estimated liability of such claims, should the claimant be successful, is disclosed.</p> <p>Estimated Legal Costs</p> <p>The Trust received retrospective invoices from Magalies Water (to the value of R 17.5 million), claiming historic losses on electricity as well as chemicals. The issue was referred to the legal representatives of the Trust. At the date of printing the financial statements, no opinion has been received and consequently not provided in the financial statements.</p>	6 909 539
	45 957 336	49 337 500	<p>49 337 500</p>	45 957 336
	1 500 000	2 000 000	<p>2 000 000</p>	1 500 000

# RUSTENBURG LOCAL MUNICIPALITY

## NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

MUNICIPALITY	2010	GROUP	2010	Resisted 2006
37.1 Related parties				
<p>Councillors, the Municipal Manager and section 57 personnel reporting to the Municipal Manager are considered related parties in light of their control over the municipality as Councillors and their management position in terms of positions held in the municipality. No inter-party business transactions took place between the Rustenburg Local Municipality and these persons and their close family members for the year under review. Details relating to their remuneration are disclosed in notes 21 and 22 above. Normal consumer services rendered to the public have also been rendered to the mentioned parties at approved tariffs that were advertised to the public.</p>				
<p><b>Transactions with key management personnel</b></p> <p>Mr. R Ramathlapa is a section 57 personnel member currently acting as Municipal Manager. The following transactions have occurred between the municipality and Radio Mafisa, in which he has an interest.</p> <p>a. Services rendered by Radio Mafisa to the municipality</p>				
	112 100		247 056	112 100
37.2 Magalies Water and Rustenburg Water Services Trust				
<p>The nature of the relationship is that Magalies has the right to appoint one representative to the Board of Trustees and thereby has an influence on financial and operating policies of the Trust.</p>				
Production Cost			(29 093 371)	(23 837 049)
Accounts Receivable			(867 662)	(136 687)
Accounts Payable			6 627 858	3 153 725
37.3 ABSA Corporate and Merchant Bank and Rustenburg Water Services Trust				
<p>The nature of the relationship is that ABSA has the right to appoint one representative to the Board of Trustees and thereby has an influence on financial and operating policies of the Trust.</p>				
Interest Received			4 283 187	4 230 769
Bank Charges			(4 121)	(6 128)
Capitalised Interest (for the year)			(31 623 854)	(33 049 798)
Term Loan			245 662 135	254 808 055
37.4 EigenAfrica Group Holdings and Rustenburg Water Services Trust				
<p>The nature of the relationship is that EigenAfrica Group Holdings has the right to appoint one representative to the Board of Trustees and thereby has an influence on financial and operating policies of the Trust.</p>				
Administration Cost			(1 003 478)	(802 048)
Trade Creditors			82 184	84 405
<p>Through its subsidiary, Rustenburg Consulting Consortium, EigenAfrica conducted the Engineering and Design work as well as Project management for the Trust.</p>				
Consulting Fees - feasibility			(143 289)	(1 351 907)
Project Management			-	-
Trade Creditors			-	41 478
Maintenance Inspection			(117 805)	(125 312)

**RUSTENBURG LOCAL MUNICIPALITY**  
**NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010**

Municipality	Restated 2009	2010	GROUP	
			2010	Restated 2009
<b>38 OPERATING LEASE ARRANGEMENTS</b>				
At the Statement of Financial Position date, the municipality had outstanding commitments under non-cancellable leases, which fall due as follows:				
- Up to 1 year	2 307 351	2 601 478	2 601 478	2 307 351
- 1 to 5 years	3 466 298	3 004 985	3 004 985	3 466 298
- More than five years	1 476 244	-	-	1 476 244
	<u>7 249 893</u>	<u>5 606 463</u>	<u>5 606 463</u>	<u>7 249 893</u>

**39 FINANCIAL INSTRUMENTS**

The group has exposure to the following risks from its use of financial instruments:

- Interest Rate Risk
- Liquidity Risk
- Credit risk

This note presents information about the group's objectives, policies and processes for measuring and managing risks.

**Interest Rate Risk**

The group is not exposed to interest rate risk on its financial liabilities. All the Municipalities interest bearing external loan liabilities, as detailed in Appendix A, are fixed interest rates. The trust has no significant interest bearing assets.

**Liquidity Risk**

The group adequately manages its liquidity risk by managing its working capital, capital expenditure, external borrowings and cash flows. The reserves of the group are adequately cash backed.

**Credit Risk**

Credit Risk consists mainly of cash deposits, cash equivalents and consumer debtors. The municipality and the trust only deposits cash with major banks. Credit Risk related to consumer debtors is managed in accordance with the Councils credit control and debt collection policy. The Councils credit exposure is spread over a large number and wide variety of consumers, and is not concentrated in any particular sector or geographical area. Adequate provision has been made for anticipated bad and doubtful debts.

**40 EVENTS AFTER THE REPORTING DATE**

No events took place after 30 June 2010 that had a material impact on the reported financial position.

**41 ROUNDING**

The amounts disclosed in the Consolidated Annual Financial Statements have been rounded to the nearest rand.

**42 COMPARISON WITH THE BUDGET**

The comparison of the Municipality's actual financial performance with that budgeted is set out in Annexure E(1) and E(2).

APPENDIX A

RUSTENBURG LOCAL MUNICIPALITY  
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2010 - GROUP

EXTERNAL LOANS	Interest rate	Redeemable	Balance at 30 June 2009	Received during the period	Redeemed during the period	Balance at 30 June 2010	Carrying Value of Property, Plant & Equip	Other Costs in accordance with the MFMA
<b>LONG-TERM LOANS</b>			R	R	R	R	R	R
- INCA nr. 1	16.50%	23 April 2009		-	-	-		
- INCA nr. 2	13.82%	29 February 2024	50 000 000		(1 066 081)	48 933 919		
- ABSA - Drawdown 1	11.92%	31 May 2020	17 489 155	-	(840 445)	16 648 710		
- ABSA - Drawdown 2	12.02%	31 May 2021	18 246 791	-	(745 446)	17 501 345		
- ABSA - Drawdown 3	12.14%	31 May 2022	18 916 554	-	(659 228)	18 257 326		
- ABSA - Construction Loan	12.80%	30 June 2023	254 808 055	-	(9 155 920)	245 652 135		
<b>Total long-term loans</b>			<b>359 460 555</b>	<b>-</b>	<b>(12 467 120)</b>	<b>346 993 435</b>		
<b>TOTAL EXTERNAL LOANS</b>			<b>359 460 555</b>	<b>-</b>	<b>(12 467 120)</b>	<b>346 993 435</b>	<b>288 413 689</b>	

APPENDIX B

RUSTENBURG LOCAL MUNICIPALITY  
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2010

	Cost/Revaluation						Accumulated Depreciation						Carrying Value									
	Opening Balance		Reclassification		Additions		Under Construction		Disposals		Closing Balance		GRAP 17 Adjustments		Additions		Disposals		Closing Balance		Value	
	R		R		R		R		R		R		R		R		R		R		R	
Land and Buildings																						
Land	31 052 066	-	715 132	179 644	-	31 777 198	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	31 777 198
Buildings	117 993 241	-	2 058 917	61 810 293	-	120 062 158	33 007 387	-	3 619 637	-	83 425 134	-	-	-	-	-	-	-	-	-	-	83 425 134
	149 055 307	-	2 774 049	61 989 937	-	151 829 356	33 007 387	-	3 619 637	-	115 202 332	-	-	-	-	-	-	-	-	-	-	115 202 332
Infrastructure																						
Drains	32 394 733	-	1 070 614	-	-	33 465 348	7 981 400	-	1 608 810	-	23 875 138	-	-	-	-	-	-	-	-	-	-	23 875 138
Roads	386 785 480	-	3 288 415	40 570 810	-	390 073 905	119 338 931	-	26 840 597	-	243 884 377	-	-	-	-	-	-	-	-	-	-	243 884 377
Sewerage Mains & Purification plant	159 477 632	-	3 357 019	5 348 792	-	162 834 651	45 085 640	-	7 762 252	-	109 986 759	-	-	-	-	-	-	-	-	-	-	109 986 759
Electricity Mains	337 607 798	-	54 182 091	41 925 530	-	391 788 889	130 120 764	-	15 437 509	-	246 231 616	-	-	-	-	-	-	-	-	-	-	246 231 616
Electricity Peak Load Equip	7 993 112	-	1 216 339	-	-	8 809 452	745 911	-	409 155	-	7 864 396	-	-	-	-	-	-	-	-	-	-	7 864 396
Water Mains & Purification plant	210 332 912	-	421 059	21 274 163	-	210 753 971	79 897 074	-	10 172 739	-	120 684 158	-	-	-	-	-	-	-	-	-	-	120 684 158
Reservoirs – Water	14 425 686	-	-	456 532	-	14 425 686	3 923 101	-	701 615	-	9 800 970	-	-	-	-	-	-	-	-	-	-	9 800 970
Water Meters	14 966 222	-	-	3 200 887	-	14 366 222	2 522 075	-	925 578	-	10 918 566	-	-	-	-	-	-	-	-	-	-	10 918 566
Water Mains	13 962 444	-	846 865	-	-	14 809 309	5 412 240	-	692 400	-	8 704 669	-	-	-	-	-	-	-	-	-	-	8 704 669
	1 176 946 030	-	64 382 403	112 777 745	-	1 241 328 433	395 027 137	-	64 550 654	-	781 750 641	-	-	-	-	-	-	-	-	-	-	781 750 641
Community Assets																						
Parks & Gardens	9 131 262	-	28 800	-	-	9 160 062	2 681 676	-	303 897	-	6 174 489	-	-	-	-	-	-	-	-	-	-	6 174 489
Libraries	5 954 173	-	-	409 530	-	5 964 173	2 252 631	-	198 336	-	3 503 205	-	-	-	-	-	-	-	-	-	-	3 503 205
Recreational Grounds	45 531 981	-	75 215	-	-	45 607 196	26 697 256	-	1 689 987	-	17 019 953	-	-	-	-	-	-	-	-	-	-	17 019 953
Civic Buildings	48 489 864	-	-	-	-	48 489 864	19 532 236	-	1 613 356	-	27 346 273	-	-	-	-	-	-	-	-	-	-	27 346 273
	108 111 279	-	104 015	409 530	-	109 215 295	51 353 799	-	3 807 676	-	54 043 920	-	-	-	-	-	-	-	-	-	-	54 043 920
Heritage Assets																						
Historical Buildings	429 115	-	-	-	-	429 115	-	-	-	-	429 115	-	-	-	-	-	-	-	-	-	-	429 115
	429 115	-	-	-	-	429 115	-	-	-	-	429 115	-	-	-	-	-	-	-	-	-	-	429 115
Total carried forward	1 435 541 731	-	67 260 468	175 177 212	-	1 502 802 199	479 395 323	-	71 977 868	-	951 426 008	-	-	-	-	-	-	-	-	-	-	951 426 008

APPENDIX B

RUSTENBURG LOCAL MUNICIPALITY  
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2010 (Continue)

	Cost			Accumulated Depreciation				Carrying Value			
	Opening Balance R	Reclassification R	Additions R	Under Construction R	Disposals R	Closing Balance R	GRAP 17 Adjustments R		Disposals R	Closing Balance R	
Total brought forward	1 435 541 731	-	67 260 468	175 177 212	-	1 502 802 199	479 398 323	-	71 977 868	551 376 191	951 426 008
Housing Rental Stock											
Housing Rental	4 988 397	-	-	-	-	4 988 397	1 477 266	-	143 306	1 620 572	3 367 825
Leased Assets	4 988 397	-	-	-	-	4 988 397	1 477 266	-	143 306	1 620 572	3 367 825
Other Assets	-	-	-	-	-	-	-	-	-	-	-
Landfill sites	1 341 225	-	-	1 139 076	-	1 341 225	467 877	-	44 677	512 554	828 671
Office Equipment	9 740 707	-	322 558	-	-	10 063 265	5 442 332	-	1 753 449	7 195 781	2 857 483
Furniture & Fixings	58 975 133	-	911 918	-	-	59 887 052	27 745 472	-	6 505 644	34 252 115	25 634 936
Bins and Containers	1 789 363	-	391 029	-	-	2 180 392	1 128 584	-	107 765	1 236 349	944 043
Emergency Equipment	3 908 939	-	67 329	-	-	3 976 268	2 656 680	-	417 042	3 073 722	902 546
Motor vehicles	50 726 953	-	11 720 647	-	-	62 447 600	29 043 576	-	5 027 521	34 071 096	28 376 503
Fire engines	5 552 953	-	1 530 824	-	-	7 083 777	1 915 412	-	285 335	2 210 747	4 873 160
Refuse tankers	1 846 679	-	-	-	-	1 846 679	977 365	-	107 192	1 084 557	762 122
Computer equipment	13 328 498	-	344 027	-	-	13 672 525	8 964 515	-	1 018 148	9 982 664	3 689 862
Other assets	72 035 257	-	5 857 888	562 630	-	77 892 944	38 964 913	-	11 372 094	50 037 007	27 855 937
Conservancy tankers											
Watercraft											
	219 245 735	-	21 146 121	1 701 706	-	240 391 856	117 006 725	-	26 649 867	143 696 564	96 735 263
Total	1 659 775 864	-	88 406 588	176 878 920	-	1 925 061 372	597 882 315	-	98 771 042	696 653 357	1 228 408 019

RUSTENBURG LOCAL MUNICIPALITY ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2010 : GROUP													
APPENDIX B													
	Cost/Revaluation				Accumulated Depreciation				Carrying				
	Opening Balance R	Reclassification R	Additions R	Under Construction R	Disposals R	Closing Balance R	Opening Balance R	GRAP 17 Adjustments R	Additions R	Disposals R	Closing Balance R	Value R	
Land and Buildings													
Land	31 062 066	-	715 132	179 644	-	31 777 198	-	-	-	-	-	31 777 198	
Buildings	117 993 241	-	2 038 917	61 810 293	-	120 052 158	33 007 387	-	3 619 637	-	36 627 024	83 425 134	
	149 055 307	-	2 774 049	61 989 937	-	151 829 356	33 007 387	-	3 619 637	-	36 627 024	115 202 332	
Infrastructure													
Drains	32 394 733	-	1 070 614	-	-	33 465 348	7 981 400	-	1 608 610	-	9 590 209	23 875 138	
Roads	366 785 490	-	3 288 415	40 570 810	-	390 073 905	119 338 931	-	26 640 597	-	146 178 528	243 894 377	
Sewerage Mains & Purification plant	348 103 871	-	3 357 019	5 348 792	-	351 450 880	87 370 746	-	22 082 837	-	109 453 593	242 007 307	
Electricity Mains	337 607 798	-	54 162 081	41 926 530	-	391 789 869	130 120 764	-	15 437 509	-	145 558 273	246 231 616	
Electricity Peak Load Equip	7 593 112	-	1 216 339	-	-	8 809 452	745 911	-	409 155	-	1 155 066	7 654 386	
Water Mains & Purification plant	292 977 901	-	421 059	21 274 193	-	293 388 960	102 656 035	-	18 073 411	-	120 729 447	172 669 514	
Reservoirs – Water	14 425 685	-	-	456 532	-	14 425 686	3 823 101	-	701 615	-	4 524 716	9 800 970	
Water Meters	14 366 222	-	-	3 200 867	-	14 366 222	2 522 075	-	925 578	-	3 447 653	10 918 568	
Water Mains	13 962 444	-	846 865	-	-	14 809 309	5 412 240	-	692 400	-	6 104 640	8 704 569	
	1 448 217 258	-	64 382 403	112 777 745	-	1 512 599 661	460 071 204	-	86 771 811	-	546 843 118	965 766 545	
Community Assets													
Parks & Gardens	9 131 262	-	28 800	-	-	9 160 062	2 681 676	-	303 697	-	2 985 573	6 174 489	
Libraries	5 954 173	-	-	409 530	-	5 954 173	2 252 631	-	198 396	-	2 450 967	3 503 206	
Recreational Grounds	45 531 981	-	75 215	-	-	45 607 196	26 897 255	-	1 689 987	-	28 597 243	17 019 953	
Civic Buildings	48 493 864	-	-	-	-	48 483 854	19 532 236	-	1 615 356	-	21 147 582	27 346 273	
	109 111 279	-	104 015	409 530	-	109 215 295	51 383 799	-	3 807 576	-	55 171 375	54 043 520	
Heritage Assets													
Historical Buildings	429 115	-	-	-	-	429 115	-	-	-	-	-	429 115	
	429 115	-	-	-	-	429 115	-	-	-	-	-	429 115	
Total carried forward	1 708 812 858	-	67 260 463	175 177 212	-	1 774 073 427	544 444 390	-	94 199 125	-	638 641 515	1 135 431 912	



APPENDIX B

RUSTENBURG LOCAL MUNICIPALITY  
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2010 (Continue)

	Cost		Accumulated Depreciation				Carrying Value	
	Opening Balance R	Reclassification R	Additions R	Under Construction R	Disposals R	Closing Balance R	Opening Balance R	Closing Balance R
Total brought forward	1 706 812 959	-	67 260 469	175 177 212	-	1 774 073 427	544 442 390	638 841 516
Housing Rental Stock	4 988 397	-	-	-	-	4 988 397	1 477 266	1 620 572
Housing Rental	4 988 397	-	-	-	-	4 988 397	1 477 266	1 620 572
Leased Assets	4 115 610	-	98	-	-	4 115 708	754 528	919 152
Other Assets	4 115 610	-	98	-	-	4 115 708	754 528	919 152
Landfill sites	1 341 225	-	-	1 139 076	-	1 341 225	467 877	512 554
Office Equipment	9 740 707	-	322 558	-	-	10 063 265	5 442 332	7 195 781
Furniture & Fittings	58 575 133	-	91 191	-	-	58 666 324	27 746 472	34 252 115
Bins and Containers	1 789 363	-	391 029	-	-	2 180 392	1 128 584	1 236 349
Emergency Equipment	3 908 939	-	67 329	-	-	3 976 268	2 656 690	3 073 722
Motor vehicles	50 726 953	-	11 720 647	-	-	62 447 600	29 043 576	34 071 089
Fire engines	5 852 983	-	1 530 924	-	-	7 083 907	1 915 412	2 210 747
Refuse tankers	1 846 679	-	344 027	-	-	1 846 679	897 365	1 084 537
Computer equipment	13 328 458	-	-	-	-	13 328 458	8 964 515	9 982 664
Other assets	72 035 257	-	5 857 689	582 630	-	77 892 944	38 664 913	50 037 007
Conservancy tankers	-	-	-	-	-	-	-	-
Watercraft	-	-	-	-	-	-	-	-
	219 245 736	-	21 146 121	1 701 706	-	240 391 866	117 006 726	143 686 594
Total	1 935 162 702	-	89 406 686	176 878 920	-	2 200 448 309	663 680 510	784 837 634

APPENDIX C

RUSTENBURG LOCAL MUNICIPALITY  
SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2010

	Cost				Accumulated Depreciation				Carrying value R		
	Opening Balance R	Reclassification R	Additions R	Disposals R	Closing Balance R	Operating Balance R	Reclassification R	Additions R		Disposals R	Closing Balance R
Executive & Council	16 488 045	4 493 426	13 334 429	(2 842 588)	31 473 312	2 248 893	953 774	2 041 012	(2 176 808)	3 066 871	28 406 441
Finance & Admin	52 402 299	-	1 071 830	-	53 474 129	28 440 304	-	2 836 269	-	31 276 573	22 197 555
Planning & Development	38 805 470	-	3 263 904	-	42 069 374	6 989 459	-	2 593 057	-	9 582 516	32 486 858
Health	9 833 145	-	335 049	-	10 168 194	5 080 916	-	359 312	-	5 440 228	4 727 966
Community & Social Services	99 005 132	-	4 599 181	-	103 604 313	36 401 527	-	5 677 735	-	42 079 262	61 525 051
Housing	3 183 541	-	-	-	3 183 541	2 219 551	-	-	-	2 219 551	963 990
Public Safety	40 628 491	-	8 900 490	-	49 528 981	17 380 224	-	4 393 060	-	21 773 284	27 755 697
Environmental Protection	27 539 605	-	2 262 318	-	29 801 923	2 329 218	-	5 270 690	-	7 599 908	22 202 014
Sport & Recreation	111 248 956	-	171 490	-	111 420 446	56 244 034	-	2 180 590	-	58 424 624	52 985 822
Waste Management	47 026 907	-	26 123 250	-	73 150 157	13 391 930	-	6 408 412	-	19 800 342	53 349 815
Waste Water Management	137 260 877	-	36 542 215	-	173 803 092	37 248 872	-	4 397 717	-	41 646 589	132 156 503
Road Transport	441 522 217	-	22 692 050	-	464 214 267	185 479 602	-	28 828 547	-	214 308 149	249 906 118
Water	239 627 886	-	13 796 440	-	253 424 326	74 031 131	-	11 637 255	-	85 668 386	167 755 940
Electricity	421 341 862	-	104 403 455	-	525 745 317	131 619 687	-	22 147 386	-	153 767 073	371 978 244
TOTAL	1 685 914 433	4 493 426	237 496 101	(2 842 588)	1 925 061 372	599 105 349	953 774	98 771 042	(2 176 808)	696 653 357	1 228 408 015

APPENDIX C

RUSTENBURG LOCAL MUNICIPALITY  
SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2010 - GROUP

	Cost					Accumulated Depreciation					Carrying value		
	Opening Balance	Reclassification	Additions		Disposals	Closing Balance	Opening Balance	Reclassification	Additions			Disposals	Closing Balance
			R	R					R	R			
Executive & Council	16 488 045	4 493 426	13 334 429	(2 842 588)	31 473 312	2 248 893	953 774	2 041 012	(2 176 808)	3 086 871	28 406 441		
Finance & Admin	52 402 299	-	1 071 830		53 474 129	28 440 304		2 836 269		31 276 573	22 197 555		
Planning & Development	38 805 470	-	3 263 904		42 069 374	6 989 459		2 593 057		9 582 516	32 486 858		
Health	9 833 145	-	335 049		10 168 194	5 080 916		359 312		5 440 228	4 727 965		
Community & Social Services	99 005 132	-	4 599 181		103 604 313	36 401 527		5 677 735		42 079 262	61 525 051		
Housing	3 183 541	-	-		3 183 541	2 219 551		-		2 219 551	963 990		
Public Safety	40 628 491	-	8 900 490		49 528 981	17 380 224		4 393 050		21 773 284	27 755 697		
Environmental Protection	27 539 605	-	2 262 318		29 801 923	2 329 218		5 270 690		7 599 808	22 202 014		
Sport & Recreation	111 248 956	-	171 490		111 420 446	56 244 034		2 180 590		58 424 624	52 965 822		
Waste Management	47 026 907	-	26 123 250		73 150 157	13 391 930		6 408 412		19 800 342	53 349 615		
Waste Water Management	330 002 726	-	36 542 313		366 545 039	80 288 506		18 882 926		99 171 432	267 373 607		
Road Transport	441 522 217	-	22 692 050		464 214 267	185 479 602		26 828 547		214 308 149	249 906 118		
Water	322 272 875	-	13 796 440		336 069 315	96 790 092		19 537 927		116 328 019	219 741 296		
Electricity	421 341 862	-	104 403 455		525 745 317	131 619 687		22 147 366		153 767 073	371 978 244		
TOTAL	1 981 301 272	4 493 426	237 496 199	(2 842 588)	2 200 448 309	664 903 945	953 774	121 166 923	(2 176 808)	784 837 834	1 415 610 476		

APPENDIX D

RUSTENBURG LOCAL MUNICIPALITY  
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2010 - MUNICIPALITY

2009 Actual Income R	2009 Actual Expenditure R	2009 Surplus/ (Deficit) R	2010 Actual Income R	2010 Actual Expenditure R	2010 Surplus/ (Deficit) R
597 231 213	309 299 674	287 931 639	452 565 064	108 501 787	344 063 277
10 509 477	81 286 144	(70 776 667)	7 513 838	87 028 645	(79 514 807)
8 419 928	26 819 238	(18 399 310)	30 152 218	28 417 714	1 734 504
253 305	7 291 647	(7 038 342)	1 120	7 799 708	(7 798 588)
1 524 517	23 183 543	(21 659 026)	2 204 861	27 855 912	(25 651 051)
22 048 714	20 739 863	1 308 851	6 095 972	8 539 973	(2 444 001)
4 520 101	56 211 517	(51 691 416)	3 542 421	63 430 137	(59 887 716)
1 397 458	30 007 998	(28 610 540)	332 298	34 170 160	(33 837 862)
-	-	-	-	-	-
61 687 672	55 404 397	6 283 275	76 689 697	89 166 956	(12 477 259)
54 726 940	56 041 409	(1 314 469)	69 401 309	67 735 360	1 665 949
145 907 200	185 048 570	(39 141 370)	123 328 072	238 980 848	(115 652 776)
237 281 132	216 209 616	21 071 516	234 316 424	260 609 214	(26 292 790)
527 540 961	448 331 338	79 209 623	912 200 919	739 320 791	172 880 128
<b>1 673 068 618</b>	<b>1 515 874 854</b>	<b>157 193 764</b>	<b>1 918 344 210</b>	<b>1 761 557 205</b>	<b>156 787 008</b>
60 032 124	60 032 124	-	66 860 673.42	66 860 673.42	-
<b>1 613 026 494</b>	<b>1 455 842 730</b>	<b>157 183 764</b>	<b>1 851 483 537</b>	<b>1 694 696 631</b>	<b>156 787 008</b>
-	-	-	-	-	-
-	-	-	-	-	-
<b>157 183 764</b>	<b>157 183 764</b>	<b>157 183 764</b>	<b>156 787 008</b>	<b>156 787 008</b>	<b>156 787 008</b>

APPENDIX D

RUSTENBURG LOCAL MUNICIPALITY  
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2010 - GROUP

	2009		2009		2010		2010		2010	
	Actual Income R	Actual Expenditure R	Surplus/ (Deficit) R		Actual Income R	Actual Expenditure R	Surplus/ (Deficit) R		Actual Income R	Actual Expenditure R
Executive & Council	597 231 213	309 299 574	287 931 639		452 565 064	108 501 788	344 063 276		452 565 064	108 501 788
Finance & Admin	10 509 477	81 286 144	(70 776 667)		7 513 838	87 028 645	(79 514 807)		7 513 838	87 028 645
Planning & Development	8 419 928	26 819 238	(18 399 310)		30 152 218	28 417 714	1 734 504		30 152 218	28 417 714
Health	253 305	7 291 647	(7 038 342)		1 120	7 799 708	(7 798 588)		1 120	7 799 708
Community & Social Services	1 524 517	23 183 543	(21 659 026)		2 204 861	27 855 912	(25 651 051)		2 204 861	27 855 912
Housing	22 048 714	20 739 863	1 308 851		6 095 972	8 539 973	(2 444 001)		6 095 972	8 539 973
Public Safety	4 520 101	56 211 517	(51 691 416)		3 542 421	63 430 137	(59 887 716)		3 542 421	63 430 137
Sport & Recreation	1 397 458	30 007 998	(28 610 540)		332 298	34 170 160	(33 837 862)		332 298	34 170 160
Environmental Protection	-	-	-		-	-	-		-	-
Waste Management	61 697 672	55 404 397	6 293 275		76 689 697	89 166 956	(12 477 259)		76 689 697	89 166 956
Waste Water Management	135 636 711	142 282 403	(6 645 692)		162 692 917	160 960 737	1 732 180		162 692 917	160 960 737
Road Transport	145 907 200	185 048 570	(39 141 370)		123 328 072	238 980 848	(115 652 776)		123 328 072	238 980 848
Water	237 281 132	216 209 616	21 071 516		234 316 424	260 609 214	(26 292 790)		234 316 424	260 609 214
Electricity	527 540 961	448 331 338	79 209 623		912 200 919	739 320 791	172 880 128		912 200 919	739 320 791
Sub Total	1 753 968 389	1 602 115 848	151 852 541		2 011 635 818	1 854 782 583	156 853 237		2 011 635 818	1 854 782 583
Less: Inter-departmental charges	60 032 124	60 032 124	-		66 860 673.42	66 860 673.42	-		66 860 673.42	66 860 673.42
Total	1 693 936 265	1 542 083 724	151 852 541		1 944 775 145	1 787 921 909	156 853 237		1 944 775 145	1 787 921 909
Add: Share of Associate	-	-	-		-	-	-		-	-
Surplus	-	-	151 852 541		-	-	156 853 237		-	-

**RUSTENBURG LOCAL MUNICIPALITY**  
**ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2010 - MUNICIPALITY**

REVENUE	2010 Actual R	2010 Budget R	2010 Variance R	2010 Variance %	Explanation of Significant Variances greater than 10% versus Budget
Property rates (see note 17)	147 483 650	144 832 000	2 651 650	1.8%	
Service charges (see note 18)	1 137 557 735	1 118 565 283	18 992 452	1.7%	
Rental of facilities and equipment	5 280 405	23 584 595	(18 304 190)	-77.6%	
Interest earned - external investments	41 764 864	23 048 790	18 716 074	81.2%	
Interest earned - outstanding debtors	70 944 791	69 948 660	996 131	1.4%	
Fines	1 487 556	8 144 298	(6 656 742)	-81.7%	
Dividends	13 802	-	13 802	100.0%	
Royalties	17 749 723	-	17 749 723	100.0%	
Licenses and permits	7 785 610	6 802 467	983 143	14.5%	
Income from agency services	13 705 274	7 592 000	6 113 274	80.5%	
Government grants and subsidies	445 785 691	387 572 725	58 212 966	15.0%	
Other income (see note 20)	28 262 507	33 225 810	(4 963 303)	-14.9%	
Gains on disposal of property, plant and equipment	17 358 104	18 900	17 339 204	91741.8%	
Less: Income forgone	(16 835 501)	(18 755 000)	1 919 499	-10.2%	
<b>Total Revenue</b>	<b>1 918 344 210</b>	<b>1 804 580 528</b>	<b>113 763 682</b>	<b>6.3%</b>	
<b>EXPENDITURE</b>					
Executive & Council	108 501 787	244 201 801	135 700 014	55.6%	
Finance & Admin	87 028 645	91 870 651	4 842 006	5.3%	
Planning & Development	28 417 714	29 112 238	694 524	2.4%	
Health	7 799 708	7 816 066	16 358	0.2%	
Community & Social Services	27 855 912	24 160 925	(3 694 987)	-15.3%	
Housing	8 539 973	27 945 894	19 405 921	69.4%	
Public Safety	63 430 137	52 070 446	(11 359 691)	-21.8%	
Sport & Recreation	34 170 160	34 551 129	380 969	1.1%	
Environmental Protection	-	-	-	0.0%	
Waste Management	89 166 956	53 129 947	(36 037 009)	-67.8%	
Waste Water Management	67 735 360	53 718 718	(14 016 642)	-26.1%	
Road Transport	238 980 848	207 925 491	(31 055 357)	-14.9%	
Water	260 609 214	214 333 717	(46 275 487)	-21.6%	
Electricity	739 320 791	903 598 973	164 278 182	18.2%	
<b>Total Expenditure</b>	<b>1 761 557 205</b>	<b>1 944 435 996</b>	<b>182 878 791</b>	<b>9.4%</b>	
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>156 787 008</b>	<b>(139 855 468)</b>	<b>296 642 474</b>		

APPENDIX E(1)

RUSTENBURG LOCAL MUNICIPALITY

ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2010 - RUSTENBURG WATER SERVICES TRUST

REVENUE	2010 Actual R	2010 Budget R	2010 Variance R	2010 Variance %	Explanation of Significant Variances greater than 10% versus Budget
Property rates (see note 17)	-	-	-	0.0%	
Service charges (see note 18)	89 008 421	85 985 770	3 042 651	3.5%	Volume related, depend on internal growth of Rustenburg
Rental of facilities and equipment	-	-	-	0.0%	
Interest earned - external investments	4 283 187	3 142 274	1 140 913	36.3%	Due to higher reserve levels and higher interest rate than budget
Interest earned - outstanding debtors	-	-	-	0.0%	
Fines	-	-	-	0.0%	
Dividends	-	-	-	0.0%	
Licenses and permits	-	-	-	0.0%	
Income from agency services	-	-	-	0.0%	
Government grants and subsidies	-	-	-	0.0%	
Other income (see note 20)	-	-	-	0.0%	
Gains on disposal of property, plant and equipment	-	-	-	0.0%	
Less: Income forgone	-	-	-	0.0%	
Total Revenue	93 291 608	89 108 044	4 183 564	4.7%	
EXPENDITURE					
Executive & Council	-	-	-	0.0%	
Finance & Admin	-	-	-	0.0%	
Planning & Development	-	-	-	0.0%	
Health	-	-	-	0.0%	
Community & Social Services	-	-	-	0.0%	
Housing	-	-	-	0.0%	
Public Safety	-	-	-	0.0%	
Sport & Recreation	-	-	-	0.0%	
Environmental Protection	-	-	-	0.0%	
Waste Management	-	-	-	0.0%	
Waste Water Management	93 225 377	95 776 871	2 551 494	2.7%	Volume related increase + under expenditure + budget interest corrections
Road Transport	-	-	-	0.0%	
Water	-	-	-	0.0%	
Electricity	-	-	-	0.0%	
Total Expenditure	93 225 377	95 776 871	2 551 494	2.7%	
NET DEFICIT FOR THE YEAR	68 231	(6 668 827)	6 735 058		

**RUSTENBURG LOCAL MUNICIPALITY**  
**ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2010 - MUNICIPALITY**

	<u>2010 Actual</u>	<u>2010 Under Construction</u>	<u>2010 Total Additions</u>	<u>2010 Budget</u>	<u>2010 Variance</u>	<u>2010 Variance</u>	<u>Explanation of Significant Variances greater than 5% versus Budget</u>
	R	R	R	R	R	%	
Executive & Council	13 334 429	-	13 334 429	14 473 010	1 138 581	7.9%	
Finance & Admin	1 071 830	-	1 071 830	5 020 643	3 948 813	78.7%	
Planning & Development	3 263 904	-	3 263 904	8 521 068	5 257 164	61.7%	
Health	335 049	-	335 049	342 718	7 669	2.2%	
Community & Social Services	4 599 181	-	4 599 181	7 131 902	2 532 721	35.5%	
Housing	-	-	-	-	-	0.0%	
Public Safety	8 900 490	-	8 900 490	31 549 998	22 649 508	71.8%	
Sport & Recreation	2 262 318	-	2 262 318	3 880 328	1 618 010	41.7%	
Environmental Protection	171 490	-	171 490	1 020 000	848 510	83.2%	
Waste Management	26 123 250	-	26 123 250	51 783 777	25 660 527	49.6%	
Waste Water Management	36 542 215	-	36 542 215	65 776 254	29 234 039	0.0%	
Road Transport	22 692 050	-	22 692 050	54 566 725	31 874 675	58.4%	
Water	13 796 440	-	13 796 440	33 512 991	19 716 551	58.8%	
Electricity	104 403 455	-	104 403 455	104 514 426	110 971	0.11%	
Other	-	-	-	-	-	0.0%	
<b>TOTAL</b>	<b>237 496 101</b>	<b>-</b>	<b>237 496 101</b>	<b>382 093 840</b>	<b>144 597 739</b>	<b>37.8%</b>	



**RUSTENBURG LOCAL MUNICIPALITY  
ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2010 - RUSTENBURG WATER SERVICES TRUST**

	2009 Actual	2009 Under Construction	2009 Total Additions	2009 Budget	2009 Variance	2009 Variance	Explanation of Significant Variances greater than 5% versus Budget
	R	R	R	R	R	%	
Executive & Council	-	-	-	-	-	0.0%	
Finance & Admin	-	-	-	-	-	0.0%	
Planning & Development	-	-	-	-	-	0.0%	
Health	-	-	-	-	-	0.0%	
Community & Social Services	-	-	-	-	-	0.0%	
Housing	-	-	-	-	-	0.0%	
Public Safety	-	-	-	-	-	0.0%	
Sport & Recreation	-	-	-	-	-	0.0%	
Environmental Protection	-	-	-	-	-	0.0%	
Waste Management	-	-	-	-	-	0.0%	
Waste Water Management	-	-	-	-	-	0.0%	
Road Transport	-	-	-	-	-	0.0%	
Water	98	-	98	-	(98)	-100.0%	Monmakato Lethabong and Kloof assets now under RWST control
Electricity	-	-	-	-	-	0.0%	
Other	-	-	-	-	-	0.0%	
<b>TOTAL</b>	<b>98</b>	<b>-</b>	<b>98</b>	<b>-</b>	<b>(98)</b>	<b>-100.0%</b>	

**APPENDIX F**  
**RUSTENBURG LOCAL MUNICIPALITY**  
**DISCLOSURES IN TERMS OF SECTION 123 OF THE MFMA: GRANTS AND SUBSIDIES RECEIVED FOR THE YEAR ENDED 30 JUNE 2010 - MUNICIPALITY**

Name of Grant and/or Transferring organ of state or municipal entity	Opening balance	Received	Utilized	Closing Balance	Delayed and / or withheld	Reason for delay/withholding of funds	Did the municipality comply with the grant conditions as set out in the latest Division of Revenue Act	Reason for non-compliance
EQUITABLE SHARE								
DBSA	-	-164 274 187	164 274 187	-	No	Not applicable	Yes	N/a
DEA	-	-275 000	275 000	-	No	Not applicable	Yes	N/a
DLM	-	-369 588	369 588	-	No	Not applicable	Yes	N/a
DME	-400 000	-794 618	794 618	-400 000	No	Not applicable	Yes	N/a
DME - operating	-6 868 628	-31 340 000	38 208 628	-	No	Not applicable	Yes	N/a
DPLG	-	-3 000 000	2 903 652	-96 348	No	Not applicable	Yes	N/a
DSAC	-8 000 000	-8 811 377	9 659 246	-7 152 131	No	Not applicable	Yes	N/a
DWAF	-1 289 336	-1 200 000	1 877 865	-611 451	No	Not applicable	Yes	N/a
EPWP	-93 168	-1 143 750	282 765	-954 153	No	Not applicable	Yes	N/a
FIFA	-	-3 674 818	3 674 818	-	No	Not applicable	Yes	N/a
FMG	-3 738 419	-5 232 353	5 059 858	-3 910 914	No	Not applicable	Yes	N/a
HOST FIFA	-3 589 141	-750 750	846 117	-3 493 774	No	Not applicable	Yes	N/a
HOUSING	-4 494 029	-18 889 185	5 020 598	-18 362 616	No	Not applicable	Yes	N/a
LOTTERY	-	-3 603 444	3 603 444	-	No	Not applicable	Yes	N/a
MIG	-	-704 000	-	-704 000	No	Not applicable	Yes	N/a
MINES	-24 068 426	-118 853 173	104 698 358	-38 223 241	No	Not applicable	Yes	N/a
MSIG	-194 992	-640 366	354 703	-480 655	No	Not applicable	Yes	N/a
NDMS	-278 327	-734 250	540 000	-472 577	No	Not applicable	Yes	N/a
OTHER	-	-139 224	-	-139 224	No	Not applicable	Yes	N/a
PTIS	-1 431 209	-	1 401 906	-29 303	No	Not applicable	Yes	N/a
SEED	-22 667 394	-79 084 758	101 752 152	-	No	Not applicable	Yes	N/a
TRAINING	-1 123 427	-	588 554	-534 873	No	Not applicable	Yes	N/a
	-	-1 167 694	1 167 694	-	No	Not applicable	Yes	N/a
	-78 236 496	-444 682 536	447 353 771	-75 565 261				

**RUSTENBURG LOCAL MUNICIPALITY**  
**DISCLOSURES IN TERMS OF SECTION 123 OF THE MFMA: GRANTS AND SUBSIDIES RECEIVED FOR THE YEAR ENDED 30 JUNE 2010 - RUSTENBURG WATER SERVICES TRUST**

[illegible]